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APPROPRIATIONS REPORT 1983 BIENNIUM

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The Office of the Legislative Fiscal Analyst

Helena, Montana .
June 1981



STATE OF MONTANA

Office of the Legislative Fiscal Analyst

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406/449-2986

June 24, 1981

Members of the Forty-Seventh Legislature
Members of the Legislative Finance Committee

In accordance with section 5-12-302, MCA and in keeping with the practice established in previous sessions, I am submitting the Appropriations Report for the 1983 biennium. The report represents an effort by our office to summarize important fiscal action and legislative policy developed during the last session.

The report compares agency appropriations requested in the executive budget with legislative allocations. Increases from the previous biennium are detailed and major legislation affecting fiscal policy outlined.

Respectfully submitted,

A handwritten signature in cursive script that reads "Judy Rippingale".

Judy Rippingale
Acting Legislative Fiscal Analyst

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GENERAL FUND APPROPRIATION SUMMARY
1981 LEGISLATURE

<u>Ongoing Appropriations</u>		<u>Fiscal 1981</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>1983 Biennium</u>
HB 1	Feed Bill	\$ 3,222,944			
HB 94	Deficiency Appropriations	16,451,008			
HB 114	School for Deaf and Blind	124,095			
HB 217	Aging Services		\$ 125,000	\$ 125,000	\$ 250,000
HB 500	Agencies-Operating		262,920,130	269,642,775	532,562,905
HB 568	Gifted and Talented		100,000	100,000	200,000
HB 578	Licensing Center		39,662	34,962	74,624
HB 611	School Foundation-Spending			16,220,000	16,220,000
HB 620	Reenlistment		7,000	14,000	21,000
HB 800	Battered Spouses		40,500	40,500	81,000
HB 832	Small Business Conferences		5,000	5,000	10,000
HB 840	Pay Plan		15,012,399	34,190,837	49,203,236
HB 845	Commerce-Transportation		102,313	222,313	324,626
HB 865	Deficiency Appropriations	259,705			
SB 355	County Reimbursement		15,000,000	15,000,000	30,000,000
Total Ongoing		\$20,057,752	\$293,352,004	\$335,595,387	\$628,947,391
 <u>One-Time Appropriations</u>					
HB 23	Air Pool	\$ 203,039			
HB 560	Bd. of Examiners-Judgement	318,429			
HB 611	School Foundation-Reserve		\$ 15,780,000		\$ 15,780,000
HB 810	Preserve Rail Services			\$ 258,000	258,000
HB 827	Telecommunications		87,191	98,269	185,460
HB 828	Coal Tax Lobbying	500,000			
HB 833	Prison Fence	158,500			
HB 838	Leg. Audit-Revolving Fund		157,500		157,500
HB 863	G. Strong Suit	11,500			
HB 864	Dept. Health-Study at Saco		10,000		10,000
HB 868	Hiway Reconstruction Trust		12,000,000	12,000,000	24,000,000
HB 873	Anaconda-Deer Lodge	160,844			
Total One-Time		\$ 1,352,312	\$ 28,034,691	\$ 12,356,269	\$ 40,390,960
Total General Fund Appropriations		\$21,410,064 =====	\$321,386,695 =====	\$347,951,656 =====	\$669,338,351 =====

GENERAL FUND REVENUE ESTIMATE UPDATE

The following table summarizes our general fund revenue estimate for fiscal 1981 and the 1983 biennium. All statutory changes and estimate revisions during the 1981 session have been incorporated into the projections.

Table 1
Estimated General Fund Revenue
1983 Biennium (000)

	Actual 1980	-----Projected----- 1981 1982 1983	----Percent Change--- 1980-81 1981-82 1982-83
Personal Income Tax	\$ 86,391.9	\$ 89,043.0 \$ 79,839.0 \$86,727.0	3.1 -10.3 8.6
Bond Transfer	20,700.0	25,732.0 22,992.0 24,720.0	24.3 -10.6 7.5
Corp. License Tax	26,658.4	27,520.0 26,943.0 29,637.0	3.2 -2.1 10.0
Coal Severance Tax	20,222.6	13,962.0 18,287.0 20,911.0	-31.0 31.0 14.4
Interest on Investments	18,644.7	24,400.0 24,830.0 20,820.0	30.9 1.8 -16.2
Insurance Tax	11,031.8	12,055.0 13,183.0 14,406.0	9.3 9.4 9.3
Liquor Profits	5,500.9	6,800.0 7,000.0 7,200.0	23.6 2.9 2.9
Oil Production	10,544.6	18,715.0 45,950.0 49,194.0	77.5 145.5 7.1
Inheritance Taxes	8,537.2	5,500.0 5,000.0 5,000.0	-35.6 -9.1 0.0
Institution Reimbursement	7,992.6	9,191.0 11,254.0 10,142.0	15.0 22.5 -9.9
Liquor/Wine Tax	7,077.1	7,304.0 8,096.0 8,975.0	3.2 10.8 10.9
Cigarette Tax	3,967.4	4,202.0 0.0 0.0	
Metal Mines Tax	2,516.8	2,300.0 2,000.0 2,000.0	-8.6 -13.0 0.0
Energy Tax	2,061.0	1,470.0 1,900.0 1,900.0	-28.7 29.3 0.0
Drivers' License	1,743.0	1,882.0 1,995.0 2,115.0	8.0 6.0 6.0
Telephone Tax	1,783.8	1,998.0 2,238.0 2,506.0	12.0 12.0 12.0
Beer License & Tax	1,446.0	1,480.0 1,520.0 1,560.0	2.4 2.7 2.6
Natural Gas Tax	1,264.0	1,517.0 1,820.0 2,184.0	20.0 20.0 20.0
Gross Receipts Tax	1,728.6	900.0 1,200.0 1,500.0	-47.9 33.3 25.0
Interest Coal Trust	0.0	8,739.0 10,077.0 15,234.0	100.0 15.3 51.2
Other	8,319.2	8,600.0 9,000.0 9,500.0	3.4 4.7 5.6
General Fund Total	\$248,131.6	\$273,310.0 \$295,124.0 \$316,231.0	10.2 8.0 7.2
	=====	=====	=====

As shown the general fund total is expected to increase about 8.0 percent in fiscal 1982 and about 7.2 percent in fiscal 1983.

The expected balance of the general fund for the next biennium is illustrated in table 2. As shown we expect the general fund balance to be

\$662,000 at the end of the 1983 biennium.

Table 2
Projected General Fund Balance
1983 Biennium
(000 Dollars)

	Fiscal <u>1981</u>	Fiscal <u>1982</u>	Fiscal <u>1983</u>
Beginning Balance, July 1	\$ 39,822.0	\$ 52,645.4	\$ 31,382.7
Expected Revenues	<u>273,310.0</u>	<u>295,124.0</u>	<u>316,231.0</u>
Total Available Funds	\$313,132.0	\$347,769.4	\$347,613.7
Appropriations			
1979 Legislature	\$244,076.5		
1981 Legislature			
Ongoing	20,057.8	293,352.0	335,595.4
One-Time	1,352.3	28,034.7	12,356.3
Reserve for 1983 Legislature			4,000.0
Expected Reversions	<u>(5,000.0)</u>	<u>(5,000.0)</u>	<u>(5,000.0)</u>
Total Expenditures	\$260,486.6	\$316,386.7	\$346,951.7
Expected Ending Balance	\$ 52,645.4	\$ 31,382.7	\$ 662.0

*Does not show the continuous appropriation of \$750,000 for disasters.

Personal Income Tax

A. Statutory Changes

A number of bills were passed that effect general fund revenues from personal income tax. These are listed and described individually below.

1. Senate bill 30 - The bill removed the ten percent surtax on personal income tax. It is effective January 1, 1981, and will reduce total personal income tax by \$16,211,000 in fiscal 1982 and by \$14,625,000 in fiscal 1983.

2. Senate bill 337 - This bill allows for a tax credit for rent or property tax paid for those people age 62 or older. It is effective January 1,

1981, and we believe it will reduce total personal income tax receipts by \$2,200,000 in fiscal 1982 and by this same amount in fiscal 1983.

3. Senate bill 150 - The bill increases the small business investment credit allowed against income taxes to 30 percent of the credit allowed on the federal tax return. The bill is effective January 1, 1981 and we believe it will reduce total personal income taxes by \$2,700,000 in both fiscal 1982 and fiscal 1983.

4. House bill 870 - The bill increases the standard deduction from \$1,000 to \$1,500 for those filing separately and from \$2,000 to \$3,000 for those filing jointly. It also indexes the standard deduction to the inflation factor described for Initiative 86. Effective for calendar year 1981 we believe this bill will reduce income tax collections by \$1,600,000 in fiscal 1982 and by \$1,800,000 in fiscal 1983.

5. House bill 18 - The bill allows a taxpayer to exempt \$800 in interest earnings for a separate return and \$1,600 for those taxpayers filing a joint return. We believe this bill will reduce general fund revenues by \$1,500,000 for fiscal 1982 and fiscal 1983.

6. Senate bill 283 - The bill provides for tax credits for business inventories paid prior to exemptions and it is effective January 1, 1981. While this bill would affect both personal income tax receipts and corporate receipts the net effect is deducted from personal income tax as it is unknown what percent of inventories is owned by corporations. We believe this bill will reduce total personal income tax receipts and corporate tax receipts by \$9.867 million in fiscal 1982 and by \$10.933 million in fiscal 1983.

Table 3
Personal Income Tax Revenue Update
(000 Dollars)

	<u>Fiscal 1981</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
Estimate Per Budget Analysis	\$139,131.0	\$158,826.0	\$169,269.0
Statutory Changes	<u>0.0</u>	<u>34,078.0</u>	<u>33,758.0</u>
New Estimate (5/31/81)	\$139,131.0	\$124,748.0	\$135,511.0

Table 4 shows the personal income tax distribution between the general fund, school foundation, and long range sinking fund account.

Table 4
Personal Income Tax Distribution
(000 Dollars)

<u>Fiscal Year</u>	<u>Total</u>	<u>General Fund</u>	<u>School Equilization</u>	<u>Long Range Sinking</u>
1981	\$139,131.0	\$89,044.0	\$34,783.0	\$15,304.0
1982	124,748.0	79,839.0	31,187.0	13,722.0
1983	135,511.0	86,727.0	33,878.0	14,906.0

Long Range Bond Transfer

A. Statutory Changes - Personal Income

The statutory changes pertaining to personal income tax affect receipts to the general fund from this category. These changes are discussed in each of the above categories and are incorporated into the projections presented in the following table.

B. Statutory Changes - Cigarette Tax

House bill 635 reallocates the cigarette tax to the long range building account and the long range bond sinking fund account. The net

effect on general fund revenue is nil since any surplus in the sinking fund is automatically transferred to the general fund.

Table 5
Long Range Sinking Fund
Projected Balance
(000 Dollars)

	Fiscal <u>1981</u>	Fiscal <u>1982</u>	Fiscal <u>1983</u>
Beginning Balance	\$ 3,768	\$ 2,757	\$ 5,524
Revenue			
Personal Income Tax (11%)	+15,304	+13,722	+14,906
Corporation License Tax (11%)	+4,730	+4,631	+5,094
Cigarette Tax (8.76¢/pack)	+4,391	+8,679	+8,766
Other	+600	+600	+600
Return Loan	+2,500	-0-	-0-
University Payments	+964	+884	+879
Debt Service	-3,768	-2,757	-5,524
Reserve Requirement	<u>-2,757</u>	<u>-5,524</u>	<u>-5,525</u>
Expected Transfer	\$25,732	\$22,992	\$24,720

Oil Severance Tax

A. Statutory Changes

Senate bill 356 increased the tax rate on oil production from 2.65 percent to five percent effective on all oil taxed for fiscal 1982 and 1983 and to six percent on oil produced thereafter.

B. Revenue Update

Because oil prices were immediately decontrolled in January of 1981 it was necessary to update our revenue estimates during the session. The following table summarizes the changes and includes the higher tax rate for fiscal 1982 and 1983.

Table 6
Projected Oil Production Data

<u>Year</u>	<u>Production (bbls)</u>	<u>Price/bbl</u>	<u>Valuation (000)</u>	<u>Tax Rate</u>	<u>Tax (000)</u>
1979	29,957	\$ 9.23	\$ 276,745	.026	\$ 7,057
1980	29,068	15.41	447,876	.024	10,545
-----PROJECTED-----					
1981	29,103	26.79	779,791	.024 ¹	18,715
1982	28,954	34.50	998,913	.046 ¹	45,950
1983	28,518	37.50	1,069,425	.046	49,194

¹ Assumes about \$4.0 million per year will be returned to the counties in fiscal 1982 and fiscal 1983.

Inheritance Tax

A. Statutory Changes

Senate bill 255 removed inheritance taxes on lineal descendants. We believe this bill will reduce general fund revenues from this source by \$1,000,000 in fiscal 1982 and \$1,500,000 in fiscal 1983.

Coal Tax Revenues

A. Statutory Changes

Senate bill 409 reduces the proportion of coal tax (two and one-half percent) received by the renewable resource account to one and one-fourth percent and appropriates the remaining one and one-fourth percent to a water development resource account. The bill is not effective until the 1985 biennium. House bill 500 appropriates the interest from the constitutional trust fund to the credit of the general fund. The following table illustrates the distribution of expected coal tax revenue for the next biennium.

Table 7
Expected Coal Tax Revenues
1983 Biennium
(000)

Acct.	Category	Distribution	Fiscal 1981	Fiscal 1982	Fiscal 1983	1982-83 Biennium
01100	General Fund	19.00%	\$13,962	\$18,287	\$ 20,911	\$ 39,198
08022	Constr. Trust Fund	50.00	36,743	48,122	55,028	103,150
02266	Local Impact	8.75	6,430	8,421	9,630	18,051
08021	Ed. Trust	10.00	7,349	9,624	11,006	20,630
02217	Public School Equal.	5.00	3,674	4,812	5,503	10,315
03002	Renewable Res. Dev.	1.25	919	1,203	1,376	2,579
02951	Alternate Energy	2.25	1,653	2,165	2,475	4,640
0	Conservation District	.25	184	241	275	516
08092	Fish & Game	2.50	1,837	2,406	2,751	5,157
02265	County Land Planning	.50	367	481	550	1,031
02320	Library Commission	.50	367	481	550	1,031
Total		100.00%	\$73,485	\$96,243	\$100,055	\$206,298

Expected interest earnings from various coal tax accounts is presented in the next table.

Table 8
Expected Interest from Coal
Tax Related Accounts

	----Expected Interest----	
	Fiscal 1982	Fiscal 1983
Constitutional Trust	\$10,077,000	\$15,234,000
Educational Trust	3,607,000	4,638,000
Fish & Game Trust	660,000	918,000
Local Coal Impact	148,000	148,000

The constitutional trust fund earnings are distributed to the general fund while the educational trust fund and local coal impact earnings are distributed to the educational trust fund (10 percent), school equalization

(67.5 percent), and the board of regents (22.5 percent). Earnings from the fish and game trust fund are used for art restoration and site acquisition.

Interest on Investments

A. Revenue Update

Revenue estimates from this source were updated during the session because of a larger than expected treasury fund balance for investment and because interest rates are expected to remain higher than previously projected. The current estimates assume an average treasury fund balance of \$180 million in fiscal 1981 and fiscal 1982. This balance is expected to drop to about \$165 million in fiscal 1983 because more general fund monies will be needed for the school foundation program at that point. Short-term interest rates of about 12 percent were used while a nine percent average was used for long-term notes.

We believe the above changes will increase revenues to the general fund by \$5,355,000 in fiscal 1982 and by \$2,945,000 in fiscal 1983.

Liquor Profits

A. Revenue Update

Higher liquor prices and assurances from the revenue department that they would meet certain profit obligations prompted increasing estimates of revenue from this source. Estimates were raised by \$800,000 in fiscal 1981, \$1,000,000 in fiscal 1982, and \$1,200,000 in fiscal 1983. These estimates are somewhat higher than the profit requirement in HB 500 which states that \$13.0 million must be transferred during the 1983 biennium.

Institutional Reimbursement

A. Revenue Update

About \$1,600,000 is currently being held in lieu of a court settlement on private payments. We believe this money will be transferred to the general fund in fiscal 1982 and our revenue projections were updated accordingly.

Other Category

A. Revenue Update

Several one-time transfers and a higher inflation rate prompted increasing estimates from this source by \$1.0 million per year.

Comparison to Executive Revenue Estimate

The executive revenue estimate is \$23 million higher than the LFA estimate for the 1983 biennium. This difference is due primarily to oil production taxes, sinking fund transfers, and the accumulation of all variances in the remaining categories.

A. Oil Production Taxes

The difference in oil production tax revenue of almost \$14 million is due to the executive having a higher price per barrel and more barrels produced. This difference is shown in the following table.

Table 9
Comparison of Executive and LFA Oil Production Tax Factors

	(000) Barrels Produced		Price Per Barrel		(000) 1983 Biennium Revenue
	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	
Executive	30,000	30,000	\$37.46	\$41.03	\$108,913
LFA	<u>28,954</u>	<u>28,518</u>	<u>34.50</u>	<u>37.50</u>	<u>95,144</u>
Difference	1,046	1,482	\$ 2.96	\$ 3.53	\$ 13,769

B. Sinking Fund Transfer

LFA revenue estimates for the bond sinking fund have been reduced for bond payments and reserves which makes the executive estimate about \$6 million higher.

C. Cumulative Adjustments

Several other adjustments combined together result in another \$2 million difference in overall revenues.

Estimated Tax Relief

Estimates of major tax reduction measures passed by the 1981 legislature and by Initiative 86 are presented in the following table:

Table 10
Estimated Tax Relief 1983 Biennium
(000 Dollars)

	Fiscal <u>1982</u>	Fiscal <u>1983</u>
Initiative 86	\$13,469.0	\$22,128.0
SB 355 (Vehicle Plates)	15,000.0	15,000.0
SB 255 (Inheritance Tax)	1,000.0	1,500.0
SB 337 (Tax Credit For Elderly)	3,200.0	2,200.0
SB 150 (Investment Credit)	2,700.0	2,700.0
HB 18 (Interest Exemption)	1,500.0	1,500.0
HB 870 (Increase Standard Deduction)	1,600.0	1,800.0
SB 30 (Repeal Surtax)	16,211.0	14,625.0
SB 283 (Business Inventories)	9,867.0	10,933.0
SB 47	<u>1,950.0</u>	<u>1,950.0</u>
Total Estimated Tax Relief	\$66,497.0	\$74,336.0

Major tax relief was also awarded oil producers by allowing them to deduct their windfall profit tax from gross proceeds in computing property tax. This relief was offset however by increasing the oil severance tax from 2.65 percent to 5.0 percent of valuation.

State Fiscal Position

The budget is imbalanced in fiscal 1983. Ongoing expenditures exceed revenues by approximately \$39 million as shown in table 11. This is possible because of the beginning cash balances in the general fund and the school foundation program.

Table 11
Comparison of Revenue to Ongoing Expenditures
for Fiscal 1983

Revenue		\$316,231.0
Ongoing General Fund Appropriations	\$335,595.4	
School Foundation Balance Used	<u>19,720.0</u>	
Total Ongoing Expenditures		<u>355,315.4</u>
Ongoing Expenditures Above Revenues		\$ 39,084.4

*The executive revenue estimates are \$13.3 million higher in fiscal 1983 which would make the fiscal imbalance only \$25.7 million.

Having a fiscal imbalance in fiscal 1983 will require careful budgeting and revenue management for the 1985 biennium. The legislature put an extra \$16 million in the school foundation account to help fund schools in fiscal 1984 and 1985. The oil severance tax goes to six percent starting July 1, 1983. This should increase revenues above current level growth. About \$6.4 million of the tax relief for fiscal 1983 does not continue in the 1985 biennium.

PAY PLAN

Pay plan increases for state employees totals \$84,845,236 during the 1983 biennium. The following schedule compares the executive request with the legislative appropriation.

	-----1983 Biennium-----		
	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
Executive Request	\$53,020,183	\$35,810,713	\$88,830,896
Appropriation HB 84, HB 500	<u>50,653,236</u>	<u>34,192,000</u>	<u>84,845,236</u>
Executive Request over Appropriation	\$ 2,366,947	\$ 1,618,713	\$ 3,985,660

The legislature funded the executive negotiated union contracts and the nonunion positions as requested. The appropriation is \$4 million below the executive request. It was possible to fund the executive pay plan with less funds because the legislature considered the amounts already in HB 500 and as well applied a vacancy savings factor.

Agency budgets in house bill 500, the general appropriations act of 1981, contained funds for the base level personal services before pay raises. Only about one percent vacancy savings had been taken out of the personal services appropriations in HB 500. The legislature decided to take a three percent vacancy savings as a normal average for the state and another one-half percent which could be accomodated by Governor Swinden's two percent cutback of state employees. Therefore, part of the pay plan cost was already funded in HB 500.

The executive concurred that they could fund the state pay plan as presented in HB 840 with the \$48 million general fund for nonlegislative agencies and would not present any supplemental appropriation request to the legislature based on pay plan factors. An additional \$1.6 million was

appropriated to the office of budget and program planning for teaching faculty at the six universities and college units. This is a contingency appropriation to be disbursed to the university units only if and to the extent three and one-half percent vacancy savings is not realized.

The above figures do not include the pay plan costs which were given to nonstate agency personnel such as mental health centers, vocational education centers, community colleges, group homes, etc. Their pay raises were included within their appropriation.

Previously, the pay plan bills have established the level of compensation for classified employees, institutional teachers, retail clerks, and blue collar workers. This year the funds in HB 840 were appropriated without any updated salary matrix. It was agreed at the summit table, with the executive representative concurring, that the salary matrix proposed by the executive up through grade 14 and all union agreements would be honored and funded by the appropriation in HB 840.

The significant features of the pay plan may be summarized as follows:

1. five percent increase on the current salary base plus \$675 in fiscal 1982 and \$725 in fiscal 1983;
2. step increase of two percent;
3. grades 15 and above were increased 8.7 percent rather than a combination of a percentage and a flat dollar amount; (this was done to avoid further compression in the upper grades);
4. an increase in the state contribution to employer group benefits of \$120 in fiscal 1982 and \$240 in fiscal 1983; and
5. separate compensation schedules for institutional teachers, retail clerks and blue collar workers.

Compensation Formula

Tables 1 and 2 present the levels of compensation for classified employees. Increases in employee compensation are determined by applying the above features 1 through 4 to the matrix. Specifically, fiscal 1982 step 2 levels of compensation are determined by increasing the appropriate fiscal 1981 step 2 level of compensation by five percent and adding \$675. Increases of two percent are applied at each successive step to complete the matrix. Grades 15 and above are increased 8.7 percent plus a two percent step. Step 1 is recognized as a probationary or entry level step and is 95 percent of step 2. Fiscal 1983 levels of compensation are determined by applying the same formula as to the fiscal 1981 step except that \$725 is the flat amount added.

Table 1
Fiscal 1982 Classified Salary Matrix
Includes Insurance

GRD	Step 01	Step 02	Step 03	Step 04	Step 05	Step 06	Step 07	Step 08	Step 09	Step 10	Step 11	Step 12	Step 13
1	7,375	7,744	7,899	8,057	8,218	8,382	8,550	8,721	8,895	9,073	9,254	9,439	9,628
2	7,830	8,222	8,386	8,554	8,725	8,900	9,078	9,260	9,445	9,634	9,827	10,024	10,224
3	8,329	8,745	8,920	9,098	9,280	9,466	9,655	9,848	10,045	10,246	10,451	10,660	10,873
4	8,870	9,313	9,499	9,689	9,883	10,081	10,283	10,489	10,699	10,913	11,131	11,354	11,581
5	9,468	9,941	10,140	10,343	10,550	10,761	10,976	11,196	11,420	11,648	11,881	12,119	12,361
6	10,123	10,629	10,842	11,059	11,280	11,506	11,736	11,971	12,210	12,454	12,703	12,957	13,216
7	10,849	11,391	11,619	11,851	12,088	12,330	12,577	12,829	13,086	13,348	13,615	13,887	14,165
8	11,631	12,213	12,457	12,706	12,960	13,219	13,483	13,753	14,028	14,309	14,595	14,887	15,185
9	12,502	13,127	13,390	13,658	13,931	14,210	14,494	14,784	15,080	15,382	15,690	16,004	16,324
10	13,454	14,127	14,410	14,698	14,992	15,292	15,598	15,910	16,228	16,553	16,884	17,222	17,566
11	14,494	15,219	15,523	15,833	16,150	16,473	16,802	17,138	17,481	17,831	18,188	18,552	18,923
12	15,647	16,429	16,758	17,093	17,435	17,784	18,140	18,503	18,873	19,250	19,635	20,028	20,429
13	16,900	17,745	18,100	18,462	18,831	19,208	19,592	19,984	20,384	20,792	21,208	21,632	22,065
14	18,443	19,365	19,752	20,147	20,550	20,961	21,380	21,808	22,244	22,689	23,143	23,606	24,078
15	20,005	21,005	21,425	21,854	22,291	22,737	23,192	23,656	24,129	24,612	25,104	25,606	26,118
16	21,748	22,835	23,292	23,758	24,233	24,718	25,212	25,716	26,230	26,755	27,290	27,836	28,393
17	23,637	24,819	25,315	25,821	26,337	26,864	27,401	27,949	28,508	29,078	29,660	30,253	30,858
18	25,722	27,008	27,548	28,099	28,661	29,234	29,819	30,415	31,023	31,643	32,276	32,922	33,580
19	28,015	29,416	30,004	30,604	31,216	31,840	32,477	33,127	33,790	34,466	35,155	35,858	36,568
20	30,517	32,043	32,684	33,338	34,005	34,685	35,379	36,087	36,809	37,545	38,296	38,996	39,758
21	33,271	34,935	35,634	36,347	37,074	37,815	38,571	39,342	40,129	40,932	41,752	42,587	43,432
22	36,292	38,107	38,869	39,646	40,439	41,248	42,073	42,914	43,772	44,643	45,527	46,426	47,339
23	39,598	41,578	42,410	43,258	44,123	45,005	45,905	46,823	47,759	48,713	49,686	50,668	51,668
24	43,230	45,392	46,300	47,226	48,171	49,134	50,117	51,117	52,132	53,163	54,210	55,273	56,353
25	47,220	49,581	50,573	51,584	52,616	53,668	54,740	55,832	56,935	58,059	59,194	60,339	61,504

Table 2
Fiscal 1983 Classified Salary Matrix
Includes Insurance

GRD	Step 01	Step 02	Step 03	Step 04	Step 05	Step 06	Step 07	Step 08	Step 09	Step 10	Step 11	Step 12	Step 13
1	8,434	8,856	9,033	9,214	9,398	9,586	9,778	9,974	10,173	10,376	10,584	10,796	11,012
2	8,913	9,359	9,546	9,737	9,932	10,131	10,335	10,541	10,752	10,967	11,186	11,410	11,638
3	9,435	9,907	10,105	10,307	10,513	10,723	10,937	11,156	11,379	11,607	11,839	12,076	12,318
4	10,004	10,504	10,714	10,928	11,147	11,370	11,597	11,829	12,066	12,307	12,553	12,804	13,060
5	10,631	11,163	11,386	11,614	11,846	12,083	12,325	12,572	12,823	13,079	13,341	13,608	13,880
6	11,319	11,885	12,123	12,365	12,612	12,864	13,121	13,383	13,651	13,924	14,202	14,486	14,776
7	12,082	12,686	12,940	13,199	13,463	13,732	14,007	14,287	14,573	14,864	15,161	15,464	15,773
8	12,904	13,549	13,820	14,096	14,378	14,666	14,959	15,258	15,563	15,874	16,191	16,515	16,845
9	13,817	14,508	14,798	15,094	15,396	15,704	16,018	16,338	16,665	16,998	17,338	17,685	18,039
10	14,817	15,558	15,869	16,186	16,510	16,840	17,177	17,521	17,871	18,228	18,593	18,965	19,344
11	15,910	16,705	17,039	17,380	17,728	18,083	18,445	18,814	19,190	19,574	19,965	20,364	20,771
12	17,119	17,975	18,335	18,702	19,076	19,458	19,847	20,244	20,649	21,062	21,483	21,913	22,351
13	18,435	19,357	19,744	20,139	20,542	20,953	21,372	21,799	22,235	22,680	23,134	23,597	24,069
14	20,055	21,058	21,479	21,909	22,347	22,794	23,250	23,715	24,189	24,673	25,166	25,669	26,182
15	21,745	22,832	23,289	23,755	24,230	24,715	25,209	25,713	26,227	26,752	27,287	27,833	28,390
16	23,640	24,822	25,318	25,824	26,340	26,867	27,404	27,952	28,511	29,081	29,663	30,256	30,861
17	25,693	26,978	27,518	28,068	28,629	29,202	29,786	30,382	30,990	31,610	32,242	32,887	33,545
18	27,960	29,358	29,945	30,544	31,155	31,778	32,414	33,062	33,723	34,397	35,085	35,787	36,503
19	30,452	31,975	32,615	33,267	33,932	34,611	35,303	36,009	36,729	37,464	38,213	38,977	39,757
20	33,172	34,831	35,528	36,239	36,964	37,703	38,457	39,226	40,011	40,811	41,627	42,452	43,287
21	36,166	37,974	38,733	39,508	40,298	41,104	41,926	42,765	43,620	44,492	45,374	46,267	47,177
22	39,450	41,422	42,250	43,095	43,957	44,836	45,733	46,648	47,581	48,531	49,492	50,464	51,447
23	43,043	45,195	46,099	47,021	47,961	48,920	49,898	50,896	51,913	52,947	53,996	55,059	56,137
24	46,991	49,341	50,328	51,335	52,362	53,409	54,477	55,556	56,647	57,750	58,864	59,989	61,125
25	51,329	53,895	54,973	56,072	57,193	58,337	59,495	60,667	61,853	63,054	64,270	65,499	66,742

Tables 3 through 6 present the percentage and dollar impacts of the pay plan for employees moving up one step each year. Tables 3 and 4 detail expected percentage increases while tables 5 and 6 provide the expected salary increments (including insurance and step increases) that will accrue to specific classifications. In general, employees in the lower grades will receive greater percentage increases while employees in the higher grades will receive greater dollar increases.

Table 3
Percentage Increase for Employees Moving One Step
From Fiscal 1981 to Fiscal 1982

GRD	Step 01	Step 02	Step 03	Step 04	Step 05	Step 06	Step 07	Step 08	Step 09	Step 10	Step 11	Step 12	Step 13
1	20.77	17.33	17.32	17.33	17.32	17.33	17.32	17.31	17.31	17.30	17.29	17.30	15.00
2	20.11	16.66	16.66	16.66	16.66	16.65	16.65	16.64	16.64	16.65	16.66	16.65	14.37
3	19.46	16.05	16.04	16.04	16.04	16.04	16.05	16.04	16.04	16.04	16.04	16.04	13.77
4	18.86	15.46	15.45	15.45	15.46	15.46	15.46	15.46	15.46	15.46	15.46	15.46	13.19
5	18.27	14.90	14.89	14.89	14.89	14.89	14.90	14.90	14.89	14.89	14.89	14.89	12.63
6	17.72	14.36	14.36	14.36	14.37	14.37	14.38	14.37	14.37	14.36	14.37	14.36	12.12
7	17.19	13.84	13.84	13.84	13.85	13.85	13.85	13.86	13.86	13.86	13.86	13.86	11.63
8	16.69	13.35	13.35	13.35	13.35	13.35	13.35	13.34	13.34	13.35	13.34	13.34	11.12
9	16.23	12.91	12.91	12.91	12.91	12.90	12.90	12.90	12.91	12.91	12.91	12.92	10.70
10	15.78	12.48	12.48	12.48	12.48	12.48	12.48	12.48	12.48	12.48	12.48	12.48	10.28
11	15.37	12.07	12.06	12.06	12.06	12.06	12.06	12.06	12.06	12.07	12.07	12.07	9.87
12	14.96	11.69	11.69	11.69	11.69	11.70	11.69	11.70	11.69	11.69	11.69	11.69	9.50
13	14.61	11.33	11.33	11.33	11.33	11.33	11.33	11.33	11.34	11.34	11.34	11.34	9.16
14	14.23	10.96	10.96	10.96	10.96	10.96	10.96	10.96	10.96	10.96	10.96	10.96	8.78
15	14.13	10.87	10.87	10.87	10.87	10.87	10.87	10.88	10.88	10.87	10.87	10.88	8.70
16	14.14	10.87	10.87	10.88	10.87	10.88	10.87	10.87	10.87	10.87	10.87	10.87	8.70
17	14.13	10.87	10.86	10.86	10.87	10.86	10.86	10.87	10.87	10.87	10.87	10.87	8.70
18	14.13	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.86	10.87	10.87	10.87	8.69
19	14.13	10.87	10.87	10.86	10.86	10.86	10.86	10.86	10.86	10.86	10.86	10.86	8.69
20	14.13	10.87	10.87	10.87	10.87	10.88	10.88	10.88	10.88	10.88	10.88	10.88	8.71
21	14.13	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	8.70	8.70	8.70	8.70
22	14.13	10.87	10.87	10.87	10.87	10.87	10.87	10.87	8.69	8.69	8.69	8.69	8.69
23	14.13	10.87	10.87	10.87	10.87	10.87	10.87	8.70	8.70	8.70	8.70	8.70	8.70
24	14.13	10.87	10.87	10.87	10.87	10.87	8.70	8.70	8.70	8.70	8.70	8.70	8.70
25	14.13	10.87	10.87	10.87	10.87	8.69	8.69	8.69	8.69	8.69	8.69	8.69	8.69

Table 4
Percentage Increase for Employees Moving One Step
From Fiscal 1982 to Fiscal 1983

GRD	Step 01	Step 02	Step 03	Step 04	Step 05	Step 06	Step 07	Step 08	Step 09	Step 10	Step 11	Step 12	Step 13
1	20.08	16.64	16.64	16.64	16.64	16.65	16.65	16.64	16.65	16.65	16.66	16.66	14.37
2	19.52	16.10	16.11	16.10	16.11	16.11	16.11	16.11	16.11	16.11	16.10	16.10	13.83
3	18.94	15.55	15.54	15.55	15.55	15.54	15.54	15.54	15.55	15.54	15.54	15.55	13.29
4	18.42	15.04	15.04	15.04	15.04	15.03	15.03	15.03	15.02	15.02	15.03	15.02	12.77
5	17.90	14.53	14.53	14.53	14.53	14.53	14.54	14.53	14.52	14.53	14.53	14.53	12.28
6	17.40	14.05	14.04	14.04	14.04	14.03	14.03	14.03	14.03	14.03	14.03	14.03	11.80
7	16.93	13.59	13.59	13.60	13.60	13.60	13.59	13.59	13.58	13.58	13.58	13.58	11.35
8	16.49	13.15	13.15	13.15	13.16	13.16	13.16	13.16	13.15	13.15	13.15	13.15	10.93
9	16.04	12.72	12.72	12.72	12.72	12.72	12.72	12.72	12.71	12.71	12.71	12.71	10.50
10	15.63	12.33	12.32	12.32	12.32	12.32	12.32	12.32	12.32	12.32	12.32	12.32	10.12
11	15.25	11.95	11.96	11.96	11.96	11.97	11.97	11.97	11.97	11.96	11.96	11.96	9.76
12	14.87	11.60	11.60	11.60	11.60	11.60	11.59	11.59	11.59	11.60	11.60	11.59	9.40
13	14.53	11.26	11.26	11.26	11.26	11.26	11.26	11.26	11.26	11.26	11.26	11.26	9.08
14	14.17	10.91	10.92	10.92	10.92	10.92	10.92	10.91	10.92	10.91	10.91	10.91	8.73
15	14.41	10.87	10.87	10.87	10.87	10.87	10.87	10.86	10.87	10.86	10.87	10.87	8.69
16	14.42	10.87	10.87	10.86	10.86	10.86	10.86	10.86	10.86	10.86	10.86	10.86	8.69
17	14.42	10.87	10.87	10.87	10.87	10.87	10.87	10.88	10.88	10.88	10.88	10.88	8.70
18	14.42	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	8.70
19	14.42	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	8.69
20	14.42	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	8.69
21	14.42	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	8.69
22	14.41	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	8.70
23	14.42	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	8.69
24	14.42	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	8.70
25	14.42	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	10.87	8.70

Table 5
Dollar Increase for Employees Moving One Step
From Fiscal 1981 to Fiscal 1982

GRD	Step 01	Step 02	Step 03	Step 04	Step 05	Step 06	Step 07	Step 08	Step 09	Step 10	Step 11	Step 12	Step 13
1	1,332	1,167	1,190	1,214	1,238	1,263	1,288	1,313	1,339	1,365	1,392	1,420	1,256
2	1,377	1,198	1,222	1,246	1,271	1,296	1,322	1,348	1,375	1,403	1,432	1,460	1,285
3	1,425	1,234	1,258	1,283	1,309	1,335	1,362	1,389	1,417	1,445	1,474	1,503	1,316
4	1,478	1,272	1,297	1,323	1,350	1,377	1,405	1,433	1,462	1,491	1,521	1,551	1,350
5	1,536	1,315	1,341	1,368	1,395	1,423	1,452	1,481	1,510	1,540	1,571	1,602	1,387
6	1,600	1,362	1,389	1,417	1,446	1,475	1,505	1,535	1,565	1,596	1,628	1,660	1,429
7	1,671	1,413	1,441	1,470	1,500	1,530	1,561	1,593	1,625	1,658	1,691	1,725	1,476
8	1,747	1,468	1,497	1,527	1,557	1,588	1,620	1,652	1,685	1,719	1,753	1,788	1,520
9	1,833	1,531	1,562	1,593	1,625	1,657	1,690	1,724	1,759	1,795	1,831	1,868	1,579
10	1,926	1,599	1,631	1,664	1,697	1,731	1,766	1,801	1,837	1,874	1,912	1,950	1,638
11	2,028	1,672	1,705	1,739	1,774	1,809	1,845	1,882	1,920	1,959	1,998	2,038	1,700
12	2,139	1,754	1,789	1,825	1,862	1,900	1,938	1,977	2,016	2,056	2,097	2,139	1,773
13	2,262	1,843	1,880	1,917	1,956	1,995	2,035	2,076	2,118	2,161	2,204	2,248	1,852
14	2,413	1,952	1,991	2,031	2,071	2,112	2,154	2,198	2,242	2,286	2,332	2,379	1,945
15	2,601	2,101	2,143	2,186	2,230	2,275	2,321	2,368	2,415	2,463	2,512	2,563	2,092
16	2,829	2,285	2,331	2,378	2,425	2,474	2,522	2,573	2,624	2,676	2,730	2,785	2,273
17	3,073	2,482	2,531	2,582	2,634	2,686	2,740	2,795	2,851	2,909	2,967	3,026	2,470
18	3,345	2,702	2,756	2,811	2,867	2,925	2,982	3,042	3,102	3,165	3,229	3,293	2,687
19	3,643	2,942	3,001	3,060	3,121	3,183	3,247	3,312	3,378	3,445	3,514	3,587	2,867
20	3,969	3,206	3,270	3,336	3,403	3,472	3,542	3,613	3,686	3,760	3,839	3,918	3,069
21	4,327	3,495	3,565	3,637	3,709	3,784	3,859	3,936	4,014	4,093	4,176	4,263	3,276
22	4,720	3,812	3,888	3,966	4,046	4,126	4,209	4,293	4,378	4,463	4,553	4,648	3,503
23	5,150	4,160	4,244	4,328	4,414	4,502	4,592	4,688	4,788	4,893	4,998	5,108	3,748
24	5,622	4,541	4,631	4,725	4,819	4,915	5,012	5,112	5,218	5,328	5,443	5,563	4,012
25	6,141	4,960	5,059	5,161	5,264	5,372	5,485	5,603	5,728	5,858	6,000	6,148	4,295

Table 6
Dollar Increase for Employees Moving One Step
From Fiscal 1982 to Fiscal 1983

GRD	Step 01	Step 02	Step 03	Step 04	Step 05	Step 06	Step 07	Step 08	Step 09	Step 10	Step 11	Step 12	Step 13
1	1,481	1,289	1,315	1,341	1,368	1,396	1,424	1,452	1,481	1,511	1,542	1,573	1,384
2	1,529	1,324	1,351	1,378	1,406	1,434	1,463	1,492	1,522	1,552	1,583	1,614	1,414
3	1,578	1,360	1,387	1,415	1,443	1,471	1,501	1,531	1,562	1,593	1,625	1,658	1,445
4	1,634	1,401	1,429	1,458	1,487	1,516	1,546	1,577	1,608	1,640	1,673	1,706	1,479
5	1,695	1,445	1,474	1,503	1,533	1,564	1,596	1,627	1,659	1,693	1,727	1,761	1,519
6	1,762	1,494	1,523	1,553	1,584	1,615	1,647	1,680	1,714	1,748	1,783	1,819	1,560
7	1,837	1,549	1,580	1,612	1,644	1,677	1,710	1,744	1,778	1,813	1,849	1,886	1,608
8	1,918	1,607	1,639	1,672	1,706	1,740	1,775	1,810	1,846	1,882	1,920	1,958	1,660
9	2,006	1,671	1,704	1,738	1,773	1,808	1,844	1,881	1,918	1,956	1,995	2,035	1,715
10	2,104	1,742	1,776	1,812	1,848	1,885	1,923	1,961	2,000	2,040	2,081	2,122	1,778
11	2,211	1,820	1,857	1,895	1,933	1,972	2,012	2,052	2,093	2,134	2,176	2,219	1,848
12	2,328	1,906	1,944	1,983	2,023	2,063	2,104	2,146	2,189	2,233	2,278	2,323	1,922
13	2,457	1,999	2,039	2,080	2,122	2,164	2,207	2,251	2,296	2,342	2,389	2,437	2,004
14	2,615	2,114	2,157	2,200	2,244	2,289	2,335	2,381	2,429	2,477	2,526	2,576	2,104
15	2,877	2,284	2,330	2,376	2,424	2,472	2,521	2,571	2,623	2,675	2,729	2,784	2,272
16	3,129	2,483	2,532	2,582	2,634	2,686	2,740	2,795	2,851	2,908	2,966	3,025	2,468
17	3,400	2,699	2,753	2,808	2,865	2,922	2,981	3,041	3,102	3,164	3,227	3,292	2,687
18	3,700	2,937	2,996	3,056	3,117	3,180	3,243	3,308	3,374	3,442	3,511	3,581	2,923
19	4,030	3,199	3,263	3,328	3,395	3,463	3,532	3,602	3,674	3,747	3,822	3,901	3,119
20	4,390	3,485	3,555	3,626	3,698	3,772	3,847	3,924	4,002	4,082	4,164	4,247	3,331
21	4,786	3,798	3,874	3,951	4,030	4,111	4,194	4,278	4,363	4,450	4,539	4,630	3,560
22	5,220	4,143	4,226	4,311	4,397	4,485	4,575	4,667	4,760	4,854	4,950	5,048	3,809
23	5,696	4,521	4,611	4,703	4,797	4,893	4,991	5,093	5,196	5,301	5,408	5,517	4,073
24	6,219	4,936	5,035	5,136	5,238	5,343	5,450	5,559	5,669	5,781	5,895	6,010	4,360
25	6,793	5,392	5,499	5,609	5,721	5,835	5,950	6,066	6,183	6,301	6,420	6,540	4,669

Table 7 summarizes expected percentage increases in compensation by grades. The state average grade and step was calculated by the department of administration to be approximately grade 10 step 5. On the average state employees will receive a 12 percent pay increase including the insurance contribution.

Table 7. Average Pay Hikes for Classified Employees

Grade	Expected Increase For Grades in FY'82		Expected Increase For Grades in FY'83	
	Percentage	Dollars	Percentage	Dollars
1	17.32	\$1,238	16.64	\$1,368
2	16.66	1,271	16.11	1,406
3	16.04	1,309	15.55	1,443
4	15.46	1,350	15.04	1,487
5	14.89	1,395	14.53	1,533
6	14.37	1,446	14.04	1,584
7	13.85	1,500	13.60	1,644
8	13.35	1,557	13.16	1,706
9	12.91	1,625	12.72	1,773
10	12.48	1,697	12.32	1,848
11	12.06	1,774	11.96	1,933
12	11.69	1,862	11.60	2,023
13	11.33	1,956	11.26	2,122
14	10.96	2,071	10.92	2,244
15	10.87	2,230	10.87	2,424
16	10.87	2,425	10.86	2,634
17	10.87	2,634	10.87	2,865
18	10.87	2,867	10.87	3,117
19	10.86	3,121	10.87	3,395
20	10.87	3,403	10.87	3,698
21	10.87	3,709	10.87	4,030
22	10.87	4,046	10.87	4,397
23	10.87	4,414	10.87	4,797
24	10.87	4,819	10.87	5,238
25	10.87	5,264	10.87	5,721
Average	12.48	1,625	12.32	1,848
Grade 10-Step 5				

Group Benefits

The state contribution to employee group benefits will increase from \$60 per month in fiscal 1981 to \$70 in fiscal 1982 and \$80 in fiscal 1983.

Institutional Teachers

The teachers' schedule as offered by the department of administration provides compensation rates for teachers in Montana's institutional facilities.

Salary increases are based on both experience and education attainment. Increases in the teacher pay plan are calculated so the average teacher will receive an increase equal to that granted a similarly paid employee on the state pay matrix. This should result in about an 11 percent increase.

These increases are not derived from negotiated settlements with unionized state teachers. Although negotiations with teachers have been attempted, no settlement has been reached.

Table 8
Teachers Annual Salary Matrix - Fiscal 1982

<u>EXP</u>	<u>BA</u>	<u>BA+1</u>	<u>BA+2</u>	<u>BA+3</u>	<u>MA</u>	<u>MA+1</u>
0	11,863	12,238	12,624	12,811	12,998	13,384
1	12,304	12,723	13,142	13,351	13,561	13,979
2	12,745	13,208	13,660	13,891	14,123	14,575
3	13,186	13,693	14,178	14,431	14,685	15,170
4	13,627	14,178	14,696	14,971	15,247	15,765
5	14,068	14,663	15,214	15,512	15,809	16,360
6	14,509	15,148	15,732	16,052	16,371	16,956
7	14,949	15,633	16,250	16,592	16,934	17,551
8	15,390	16,118	16,768	17,132	17,496	18,146
9	15,831	16,603	17,286	17,672	18,058	18,741
10	16,272	17,083	17,804	18,212	18,620	19,337
11	16,272	17,083	17,804	18,212	18,620	19,337
12	16,272	17,083	17,804	18,212	18,620	19,337

Table 9
Teachers Annual Salary Matrix - Fiscal 1983

<u>EXP</u>	<u>BA</u>	<u>BA+1</u>	<u>BA+2</u>	<u>BA+3</u>	<u>MA</u>	<u>MA+1</u>
0	12,699	13,098	13,509	13,709	13,908	14,319
1	13,169	13,615	14,061	14,284	14,507	14,953
2	13,638	14,131	14,612	14,859	15,105	15,587
3	14,108	14,648	15,164	15,434	15,704	16,221
4	14,577	15,164	15,716	16,009	16,303	16,855
5	15,047	15,681	16,268	16,585	16,902	17,489
6	15,516	16,197	16,819	17,160	17,500	18,122
7	15,986	16,714	17,371	17,735	18,099	18,756
8	16,455	17,230	17,923	18,310	18,698	19,390
9	16,925	17,747	18,475	18,885	19,296	20,024
10	17,395	18,263	19,026	19,461	19,895	20,658
11	17,395	18,263	19,026	19,461	19,895	20,658
12	17,395	18,263	19,026	19,461	19,895	20,658

Retail Clerks

Retail clerks will receive increases in total compensation of about 12 percent. The journeyman rate was increased 13 percent and the apprentice rate was revamped to yield a nine percent increase.

Table 10
Retail Clerks Salary Schedule for Fiscal 1982 and 1983

<u>Grade</u>	<u>Fiscal 1982</u>	<u>Grade</u>	<u>Fiscal 1983</u>
2	5.949	2	6.728
3	6.367	3	7.201
4	6.598	4	7.462
5	6.842	5	7.736
6	7.350	6	8.311
7	7.904	7	8.937
8	8.525	8	9.639

Blue Collar Workers

The blue collar plan covers approximately 800 employees, the bulk of them in the department of highways. House bill 840 increases the average blue collar hourly wage from the present \$7.82 (includes state insurance contribution) to \$8.90 in fiscal 1982 (including insurance) and \$9.89 in fiscal 1983 (including insurance). These amounts are based on labor settlements reached between the executive branch and the craft council, a coalition of several unions, and AFSCME units representing several hundred highway department employees, as well as several smaller units of craft employees in the department of institutions. In exchange for the wage increases, the craft council agreed to several pay changes that will save the department of highways money in the future. For example, all red-circled rates (ranges above the listed rates) will be eliminated by fiscal 1983, a daily lunch allowance for persons working away from their home base was eliminated, and the method of calculating pay for out-of-grade work was tightened up. The wage increases average about 13.5 percent for fiscal 1982 and 11 percent for fiscal 1983.

Table 11
Blue Collar Salary Schedules
for Fiscal 1982 and 1983

<u>Grade</u>	<u>Fiscal 1982 Rate</u>	<u>Grade</u>	<u>Fiscal 1983 Rate</u>
1	5.904	1	6.892
2	6.304	2	7.292
3	6.704	3	7.692
4	7.104	4	8.092
5	7.502	5	8.492
6	7.904	6	8.892
7	8.304	7	9.292
8	8.704	8	9.692
9	9.104	9	10.092
10	9.504	10	10.492
11	9.904	11	10.892
12	10.304	12	11.292
00	10.704	00	11.692

Grade Appeals

Upgrades were a concern in the executive presentation of the pay plan. Steady increases in the average grade of an agency, "grade creep", affects future budget costs by inflating the personal service base. The grade level of a class was removed as an appeal issue.

Employee Incentives

HB 161 provides incentives to state employees to make suggestions or to create inventions that reduce the costs of government operations or improve government operations without increasing costs. The discretion of the department of administration in granting awards is limited to ten percent of the cost savings realized in the first year, or \$500, whichever is less. Funding for the awards is from the agency's budget.

Retirement Systems - Increased Employer Contribution

House bill 45 authorizes increased employer contribution rates for public retirement systems. Table 12 lists those systems that include state employees.

Table 12
Public Retirement Systems - Rate of
Increase in Employer Contributions

<u>Retirement System</u>	<u>Current Rate</u>	<u>New Rate</u>	<u>Additional Contribution</u>	<u>Percent of Increase</u>
PERS	6.2%	6.32%	.12	1.9
Game Wardens	7.0	7.15	.15	2.1
Highway Patrol	16.0	16.57	.57	3.6

Table 13 estimates the fiscal impact for the state portion of the increased employer contribution rates. These estimates include an estimated 12 percent pay plan increase with a 3.5 percent vacancy savings factor applied. The general fund portion is based on the ratio of general fund to other funds in HB 840, which is 58.9 percent.

Table 13
State Portion of Increased Employer Contributions
for the 1983 Biennium

<u>Retirement System</u>	<u>-----1982-----</u>		<u>-----1983-----</u>	
	<u>General Fund</u>	<u>Other</u>	<u>General Fund</u>	<u>Other</u>
PERS	\$146,359	\$102,128	\$163,922	\$114,383
Game Wardens	-0-	4,449	-0-	4,983
Highway Patrol	-0-	22,579	-0-	25,289
Total	\$146,359	\$129,156	\$163,922	\$144,655

SALARIES OF ELECTED AND APPOINTED OFFICIALS

House bill 580 of the 1981 session increases the annual compensation of elected officials each year of the biennium. Salary increases, excluding legislators, range from 12.6 percent to 17.2 percent for the biennium, with a median of 16.6 percent. Since the rate of salary increases for fiscal 1982 and 1983 range from 8.1 to 8.5 percent, this variation is related to the range of salary increases in the 1981 biennium which ranged from zero to 10.4 percent. Table 14 provides a biennial comparison of the percent of salary increases as well as the total dollar amount of increase.

Table 14
Biennial Comparison of Salary Increases
for Elected and Appointed Officials

<u>Officials</u>	<u>Salaries 1980&1981</u>	<u>Salaries 1982&1983</u>	<u>Difference</u>	<u>Percent of Increase</u>	<u>No. of Positions</u>	<u>Total Increase</u>
Governor	\$77,500	\$90,383	\$12,883	16.6	1	\$ 12,883
Lieutenant Governor	55,500	64,748	9,248	16.7	1	9,248
Chief Justice	80,000	92,651	12,651	15.8	1	12,651
Justices-Supreme Court	78,000	90,383	12,383	15.9	6	74,298
Attorney General	71,000	82,442	11,442	16.1	1	11,442
State Auditor	51,000	59,756	8,756	17.2	1	8,756
Superintendent of Public Instruction	60,900	71,099	10,199	16.8	1	10,199
Public Service Commissioners	55,500	64,748	9,248	16.7	5	46,240
Secretary of State	51,000	59,756	8,756	17.2	1	8,756
Clerk of Court	49,625	58,055	8,430	17.0	1	8,430
District Court Judges	76,000	88,114	12,114	15.9	32	387,648
Commissioner of Political Practices	44,000	49,548	5,548	12.6	1	5,548
State Tax Appeals Board						
a. Chairman	42,055	49,047	6,992	16.6	1	6,992
b. Board Members	41,043	47,733	6,690	16.3	2	13,380
Total Increase in Salaries					55	\$616,471 =====

Table 15 indicates the percent of salary increase for each elected or appointed official for each year of the 1983 biennium.

Table 15
Elected and Appointed Officials' Salary Increases
the Each Year of the 1983 Biennium

Officials	Fiscal 1981	Fiscal 1982	Percent Increase in 1982	Fiscal 1982	Fiscal 1983	Percent Increase in 1983
Governor	\$40,000	\$43,360	8.4	\$43,360	\$47,023	8.5
Lieutenant Governor	28,700	31,077	8.3	31,077	33,671	8.4
Chief Justice	41,000	44,447	8.4	44,447	48,204	8.5
Justices-Supreme Court	40,000	43,360	8.4	43,360	47,023	8.5
Attorney General	36,500	39,555	8.4	39,555	42,887	8.4
State Auditor	26,500	28,685	8.3	28,685	31,071	8.3
Superintendent of Public Instruction	31,500	34,120	8.3	34,120	36,979	8.4
Pub. Serv. Commissioners	28,700	31,077	8.3	31,077	33,671	8.4
Secretary of State	26,500	28,685	8.3	28,685	31,071	8.3
Clerk of Court	25,750	27,870	8.2	27,870	30,185	8.3
District Court Judges	39,000	42,273	8.4	42,273	45,841	8.4
Commissioner of Political Practices	22,000	23,794	8.2	23,794	25,754	8.2
State Tax Appeals Board						
a. Chairman	21,779	23,554	8.2	23,554	25,493	8.2
b. Bd. Members	21,200	22,924	8.1	22,924	24,809	8.2

House bill 580 also establishes the salary for legislators. During the 1981 legislative session, legislators were paid at a rate commensurate to a grade 8, step 2, on the classified employees' pay matrix. House bill 580 continues compensation at a grade 8, step 2, level for the 1983 session. Therefore, any increase in legislative pay will reflect a cost of living adjustments only.

House bill 149 of the 1981 session provided a 12.5 percent increase in legislators' per diem from \$40 per day to \$45 per day. This bill, which was enacted at the beginning of the 1981 session, applied the increase retroactively for the 1981 session, increasing the feed bill by \$81,000.

Table 16 identifies legislative compensation for salary and per diem in the coming 1983 legislative session and compares it to the compensation schedule of the 1981 session.

TABLE 16
Changes in the Legislative Salary and Per Diem

	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Amount of Increase</u>	<u>Percent Increase</u>
A. <u>Salary</u> ^a				
Cost Per Legislator Per Day	\$ 39.50	\$ 48.42	\$ 8.92	22.6
Total Cost Per Legislator Per 90-Day Session	3,555	4,358	803	22.6
B. <u>Per Diem</u>				
Cost Per Legislator Per Day	45.00	45.00	0.0	0.0
Cost Per Legislator Per Session (108 day average)	4,860	4,860	0.0	0.0
C. <u>Total Daily Compensation Per Legislator</u>	\$ 84.5	\$ 93.42	\$ 8.92	10.6

^aDoes not include insurance or benefits.

House bill 32 provides increased compensation to legislators serving on interim legislative committees when the legislature is not in session. The salary rate, as noted above, is increased from one-fourth of the daily rate for every six hours to the full daily rate for every 24-hour period (from midnight to midnight) or portion thereof. This compensation is provided only when a legislator is away from home on authorized committee business.

FULL-TIME EQUIVALENT POSITIONS

Table 17 shows the FTE who were appropriated by the legislature for fiscal 1981, 1982 and 1983.

Table 17
FTE Appropriated by the Legislature

	<u>Fiscal 1981</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
Legislative, Judicial, and Administrative	4,476.42	4,352.76	4,374.26
Human Services	2,294.89	2,355.63	2,357.89
Natural Resources	1,391.32	1,395.08	1,389.66
Institutions	2,195.37	2,189.50	2,182.60
Other Education	469.82	504.37	509.85
Higher Education	338.90	331.90	331.90
Colleges & Universities - Est.	<u>2,592.19</u>	<u>2,832.42</u>	<u>2,836.85</u>
Subtotal	13,758.91	13,961.66	13,983.01
Liquor Stores - Estimate	<u>259.00</u>	<u>259.00</u>	<u>259.00</u>
Total	14,017.91	14,220.66	14,242.01

LEGISLATIVE AUDITOR

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Agency Request	\$ 859,666	\$1,266,805	\$2,126,471
Appropriation	<u>1,008,825^a</u>	<u>1,266,805</u>	<u>2,275,630</u>
Appropriation over (under)			
Agency Request	\$ 149,159 =====	\$ -0- =====	\$ 149,159 =====
Percent over (under)			
Agency Request	17.4	0.0	7.0
<u>Total Expenditures</u>			
FTE	57.00	64.00	
Agency Request	\$1,721,341	\$2,050,230	\$3,771,571
Appropriation	<u>1,870,500</u>	<u>2,050,230</u>	<u>3,920,730</u>
Appropriation over (under)			
Agency Request	\$ 149,159 =====	\$ -0- =====	\$ 149,159 =====
Percent over (under)			
Agency Request	8.7	0.0	4.0
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$2,870,498	\$2,275,630	(20.7)
Total Expenditures	2,870,498	3,920,730	36.6
Expend. With Pay Plan Est.	2,870,498	4,376,089	52.5
Ending Year FTE	50.00	64.00	28.0

^aGeneral fund of \$149,159 is provided as "seed money" to initially establish the revolving fund.

The appropriation funds an additional 14 FTE during the biennium. Six auditors and one support staff are authorized in fiscal 1982. These new positions increase to 12 auditors and two support staff in fiscal 1983. The increase in staff will allow the agency to provide complete audit coverage

that entails a two-year span of financial activity for each agency every two years.

Operating expenses include \$75,000 per year in contracted services for audits performed by private accounting firms.

Pay raises are included in HB 840.

Funding

House bill 519 authorizes a revolving account to allow the agency to charge state agencies for audit services. HB 500 provides the related spending authority. Audit expenses are included in all state agency budgets and are line itemed as biennial appropriations. A general fund appropriation of \$149,159 is included in fiscal 1982 to provide initial funds as requested for establishing the new revolving fund.

General fund is provided for sunset and program audits, legislative agency audits, and audits that are expanded beyond the scope of a usual financial compliance audit.

LEGISLATIVE COUNCIL

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Agency Request Appropriation ^a	\$1,704,119 ^b <u>1,731,974</u>	\$1,751,835 ^b <u>1,975,690</u>	\$3,455,954 ^b <u>3,707,664</u>
Appropriation over (under) Agency Request	\$ 27,855 =====	\$ 223,855 =====	\$ 251,710 =====
Percent over (under) Agency Request	1.6	12.8	7.3
<u>Total Expenditures</u>			
FTE	48.25	57.75	
Agency Request Appropriation	\$2,022,319 <u>2,065,174^c</u>	\$1,793,835 <u>2,032,690^c</u>	\$3,816,154 <u>4,097,864^c</u>
Appropriation over (under) Agency Request	\$ 42,855 =====	\$ 238,855 =====	\$ 281,710 =====
Percent over (under) Agency Request	2.1	13.3	7.4
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$3,605,136 ^d	\$3,707,664	2.8
Total Expenditures	4,009,448	4,097,864 ^c	2.2
Expend. With Pay Plan Est.	4,009,448	4,508,089	12.4
Ending Year FTE	61.83	57.75	(6.6)

^aThe biennial appropriations for interim studies, CSG and NCSL travel, and the con-con publication are distributed equally between the two years.

^bPay raises of \$90,520 in fiscal 1982 and \$220,573 in fiscal 1983 that are required by the agency are not included.

^cBiennial appropriations of \$15,000 for both HB 872 and HB 874 are distributed equally between the two years.

^dIncludes \$542,341 appropriated in HB 1 (the feed bill) in fiscal 1981.

Personal Services

Four FTE are deleted as requested by the council. This reduction includes the deletion of proofreaders and terminal operators in the legislative services bureau. An additional \$50,000 is included each year for salary adjustments as well as \$22,000 for session-related overtime in fiscal 1983. Legal staff added in the 1979 biennium for the recodification effort are continued into the 1983 biennium. Pay raises are included in HB 840.

Operating Expenses

Operating expenses appear to increase only modestly between the bienniums. However, this small increase results from the one-time printing expense of the Montana Codes Annotated, which occurred in fiscal 1980 and will not reoccur in the 1983 biennium.

Actually, current level operating expenses increase in several areas:

1. Data-processing expenses were increased from inflationary projections of \$167,215 and \$180,759 to \$250,000 and \$375,000 for the 1983 biennium. This increase includes \$20,000 in fiscal 1982 to be used for preliminary systems development costs. Increased costs above the 1982 appropriation are incurred in fiscal 1983 due to the legislative session.

In addition, the agency receives \$17,000 to purchase a software package during the biennium to enhance the ALTER system.

2. The council receives an additional \$14,500 and \$34,900 in fiscal 1982 and 1983, respectively, for leased equipment expenses. About 55 percent of the fiscal 1983 increase is a session-related cost.

3. The council receives an additional \$23,700 and \$16,700 in fiscal 1982 and 1983, respectively, for travel expenses in order to increase training for researchers and other staff members.

4. Travel funds of \$27,000 are added for legislators' NCSL travel. No funds were appropriated for this expense in the 1981 biennium.

5. Additional publication expenses of \$100,000 for the biennium are approved for the con-con project.

6. Funding of \$21,500 is approved for the commission on uniform laws. No appropriation for this commission was made for the last biennium.

The council receives \$54,793 and \$60,272 in fiscal 1982 and 1983, respectively, for dues expenses to the national conference of state legislatures (NCSL) and council of state governments (CSG). A biennial travel appropriation of \$27,000 for each organization is also provided for legislators' travel.

A \$10,000 general fund biennial appropriation is provided for dues to the western conference of the council of state governments so that the state may participate in a proposed land study. This study includes an assessment of all federal lands held within each western state.

House bill 500 includes a biennial appropriation of \$193,710 for the following interim study committees:

Interim Studies	\$ 75,000
Forestry Task Force	20,000
Revenue Oversight Committee	25,000
Administrative Code Committee	22,000
Coal Tax Oversight Subcommittee*	6,000
Districting & Apportionment Committee	35,710
Indian Jurisdiction Study	<u>10,000</u>
Biennial Total	\$193,710
	=====

*SB 487 establishes a permanent coal tax oversight subcommittee.

In addition to the above interim committees, HB 872 appropriates \$15,000 from the long range building fund for a capitol building and planning committee. This committee will participate in the development of a capitol area

master plan and the preparation of a plan to renovate and remodel the capitol building.

House bill 874 establishes a water resources oversight committee and appropriates \$15,000 from the renewable resource development clearance fund account.

Funding

The publication and distribution of the Montana Codes Annotated is funded solely from a revolving account in the 1983 biennium. The council received general fund for start-up costs in the 1981 biennium. However, this program is expected to become self-supporting this biennium, as stipulated in SB 1 of the 1979 session.

LEGISLATIVE FISCAL ANALYST

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
FTE	14.00	14.00	
Agency Request	\$449,184	\$ 462,754	\$911,938
Appropriation	<u>489,178</u>	<u>506,639</u>	<u>995,817</u>
Appropriation over (under) Agency Request	\$ 39,994 =====	\$ 43,885 =====	\$ 83,879 =====
Percent over(under) Agency Request	8.9	9.5	9.2
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$818,004 ^a	\$ 995,817	21.7
Expend. With Pay Plan Est.	818,004	1,135,786	38.9
Ending Year FTE	14.0	14.0	0.0

^aIncludes \$3,800 appropriated in HB 1 (the feed bill) in fiscal 1981.

Personal services are maintained at current level, with \$12,000 provided each year for upgrades. Pay raises are provided in HB 840.

In fiscal 1980, the office operations were expanded. Additional operating expenses were incurred (for a partial year) since a computer support system was developed, additional staff was hired, and a word processor was purchased. Maintenance of these expenses at a full fiscal year funding level appears to increase the appropriation although it is essentially maintenance of a current level operation.

Rental expenses of \$2,500 in fiscal 1983 for a copier are included for session use. This expense was previously included in the feed bill. Pre-session costs of \$23,300 are also included for fiscal 1983. Travel expenses

are less in fiscal 1983 as fewer finance committee meetings are held during a session year.

ENVIRONMENTAL QUALITY COUNCIL

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
FTE	4.00	4.00	
Agency Request	\$149,807 ^a	\$164,178 ^a	\$313,985 ^a
Appropriation	<u>151,807</u>	<u>166,178</u>	<u>317,985</u>
Appropriation over (under) Agency Request	\$ (2,000) =====	\$ (2,000) =====	\$ (4,000) =====
Percent over (under) Agency Request	(1.3)	(1.2)	(1.3)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$278,547	\$317,985	14.2
Expend. With Pay Plan Est.	278,547	365,668	31.3
Ending Year FTE	4.00	4.00	0.0

^aPay raises of \$8,261 in fiscal 1982 and \$9,087 in fiscal 1983 that were requested by the agency are not included.

The environmental quality council monitors activities of state agencies that deal with environmental issues. They also coordinate and integrate environmentally related activities and policies of state agencies.

The council's appropriation is current level, except for additional compensation of \$2,000 per year for board members. This increase reflects the passage of HB 32, which provides increased compensation to legislators serving on interim legislative committees when the legislature is not in session.

Pay raises are included in HB 840.

CONSUMER COUNSEL

<u>Total Expenditures</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
FTE	4.00	4.00	
Agency Request	\$452,476	\$467,599	\$920,075
Appropriation	<u>460,752</u>	<u>479,237</u>	<u>939,989</u>
Appropriation over (under) Agency Request	\$ 8,276 =====	\$ 11,638 =====	\$ 19,914 =====
Percent over (under) Agency Request	1.8	2.5	2.2
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
Total Expenditures	\$802,430	\$939,989	17.1
Expend. With Pay Plan Est.	802,430	939,989	17.1
Ending Year FTE	4.00	4.00	0.0

The consumer counsel represents consumer interests before the public service commission and federal regulatory agencies.

The agency's appropriation maintains current level operations. Included in the appropriation is \$288,000 per year for expert witness fees. Requested pay raises of 12 percent per year are also included in the appropriation, adding \$24,273 for the biennium.

JUDICIARY

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$3,098,720	\$3,301,704	\$6,400,424
Appropriation	<u>3,000,796</u>	<u>3,199,003</u>	<u>6,199,799</u>
Approp. over(under) Exec.	\$ (97,924) =====	\$ (102,701) =====	\$ (200,625) =====
Percent over(under) Exec.	(3.2)	(3.1)	(3.1)
<u>Total Expenditures</u>			
FTE	79.00	84.00	
Executive Request	\$3,479,001	\$3,807,068	\$7,286,069
Appropriation	<u>3,228,339</u>	<u>3,548,765</u>	<u>6,777,104</u>
Approp. over(under) Exec.	\$ (250,662) =====	\$ (258,303) =====	\$ (508,965) =====
Percent over(under) Exec.	(7.2)	(6.8)	(7.0)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$5,031,420 ^a	\$6,199,799	23.2
Total Expenditures	5,216,708 ^b	6,777,104	29.9
Expend. with Pay Plan Est.	5,216,708	7,477,721	43.3
Ending Year FTE	67.5	84.0	24.4

^aIncludes a 1981 general fund supplemental of \$68,655 for compensation of retired judges serving temporarily and also for additional rent expenses.

^bIncludes continuing appropriations of federal funds.

Total expenditures including pay plan for the judiciary increase 43.3 percent over the 1981 biennium. The majority of this increase relates to the transfer of two functions to the court budget. These transfers include:

1. Montana Criminal Law Information Research Center (MONTCLIRC): \$164,700 of general fund is added for the 1983 biennium. MONTCLIRC was

previously attached to the crime control board.

2. Water rights courts: \$577,305 of earmarked funds is added for the 1983 biennium. House bill 667 transfers jurisdictional control of this function from the department of natural resources to the supreme court. Spending authority from earmarked revenue funds is provided within the appropriation.

Several other factors increase the court's general fund appropriation:

1. Moving expenses as well as additional rent expenses are provided, since the court is expected to move into the new justice building in July or August, 1982.

2. Several expenses that were previously federally funded are now general funded, due to the reduced availability of Law Enforcement Administration Act (LEAA) funds. Such expenses include:

- a. data-processing and systems support (including enhancements to the current system) for the judicial information system;
- b. training expenses for the courts of lower jurisdiction; and
- c. rental expense for one terminal.

3. During the 1981 biennium, the court received budget-amended federal funds for 1.5 FTE which were general funded. These positions, a full-time secretary and a part-time administrator, are once again general funded since federal funds are not anticipated.

If federal funds should become available for these or any other general funded expenses, the legislature requests that an equal amount of general fund, less matching requirements, be reverted.

Supreme Court Operations

House bill 286 of the 1979 session provided for an additional two justices, four law clerks, and two legal secretaries. These positions were filled at midyear in fiscal 1981 and therefore were considered half-time. All of these positions would have become full-time in fiscal 1982. However, the 1981

legislature reduced the justices' support staff by two law clerks and one legal secretary. This allows for 1.7 law clerks and a .5 legal secretary for each justice, with one full-time legal secretary provided for the chief justice.

The chief justice's salary is increased from \$41,000 in fiscal 1981 to \$44,447 in fiscal 1982 and \$48,204 in fiscal 1983 while the associate justices' salaries increase from \$40,000 in fiscal 1981 to \$43,360 in fiscal 1982 and \$47,023 in fiscal 1983. An additional \$36,000 is included to fund salary increases that the court authorized in fiscal 1981.

Thirty thousand dollars per year is appropriated for microfilming of case reports. An estimated 75 percent of the backlog is expected to be completed by the end of 1983. Rental expense for an additional word-processing machine is also included, increasing the court's inventory to three word-processing units.

An appropriation of \$42,000 in fiscal 1982 and \$40,000 in fiscal 1983 is provided for the Montana Reports. This appropriation includes related editor expenses. House bill 853 of the 1981 session reduces the number of free copies the court must distribute from 300 to 221.

Boards and Commissions

Three FTE are continued, including a secretary position that was initiated in fiscal 1980 to provide support for the probate review board and the sentence review board. The remaining two FTE provide administrative support for the various boards and commissions as well as court operations.

Contracted services increase significantly to allow funding of the following items:

1. investigators' fees, which the court increased from \$15 per hour to \$30 per hour;
2. a monthly fee to the commission on practice's secretary, which increased from \$750 per month to \$1,000 per month.

Law Library

An additional full-time secretary and a half-time clerk are approved.

An appropriation of \$20,000 for Westlaw, a computer-generated research service, is included for fiscal 1983 only. The court is requested to establish guidelines that would identify eligible users and appropriate uses of this service.

Library acquisitions of \$164,854 in fiscal 1982 and \$184,927 in fiscal 1983, including \$12,240 for code exchanges with other states, is provided within the equipment appropriation. The legislature did not appropriate for a microfilm duplicating machine.

District Courts

The 1979 legislature authorized an additional district court judge that assumed office the last half of fiscal 1981. This position is continued full-time in the 1983 biennium.

The district court judges' salaries increase from \$39,000 in fiscal 1981 to \$42,273 in fiscal 1982 and \$45,841 in fiscal 1983. Compensation of retired judges is continued at \$16,000 per year. The court anticipates using these judges primarily to fill-in for those judges serving on the water courts.

Operating expenses include \$5,500 in fiscal 1982 and \$6,000 in fiscal 1983 for education and training of new judges.

Water Courts

This appropriation includes 8.5 FTE in fiscal 1982 and 13.5 FTE in fiscal 1983. A significant increase in work load is anticipated in fiscal 1983 when the actual adjudication of water claims will occur. This staff includes two water masters in fiscal 1982 and four in fiscal 1983 who are responsible for conducting the legal research and also directing the technical research done by the department of natural resources.

Fifty-one thousand dollars is authorized for equipment expenses in fiscal 1982 to provide office equipment as well as a terminal and an on-line printer for each of the four water judges.

MONTCLIRC

The court has assumed responsibility of administering the MONTCLIRC program, which is located at the University of Montana. The court will continue to disburse the appropriated funds as a grant to the university, as the board of crime control has done in the past.

The appropriation funds one full-time director at \$31,400 per year, a legal secretary, and 15 part-time research assistants during the school year. Communication expenses that were previously paid by the university are included, increasing the budget \$3,200 for the biennium. Indirect cost expenses, which are paid to the university for administering the program, add \$5,900 in fiscal 1982 and \$6,296 in fiscal 1983.

GOVERNOR'S OFFICE

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$1,862,955	\$1,902,035	\$3,764,990
Appropriation	<u>3,194,664</u>	<u>3,219,503</u>	<u>6,414,167</u>
Approp. over(under) Exec.	<u>\$1,331,709</u>	<u>\$1,317,468</u>	<u>\$2,649,177</u>
	=====	=====	=====
Percent over(under) Exec.	71.5	69.3	70.4
<u>Total Expenditures</u>			
FTE	54.00	54.00	
Executive Request	\$2,012,955	\$2,052,035	\$4,064,990
Appropriation	<u>3,344,664</u>	<u>3,319,503</u>	<u>6,664,167</u>
Approp. over(under) Exec.	<u>\$1,331,709</u>	<u>\$1,267,468</u>	<u>\$2,599,177</u>
	=====	=====	=====
Percent over(under) Exec.	66.2	61.8	63.9
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$3,750,090 ^a	\$6,414,167	71.0
Total Expenditures	4,721,664	6,664,167	41.1
Expend. with Pay Plan Est.	4,721,664	7,052,643	49.4
Ending Year FTE	55.00	54.00	(1.8)

^aIncludes \$45,000 appropriated in HB 23 of the 1981 session.

The above table shows an increase in general fund of 71 percent over the 1981 biennium. If the general fund appropriation is reduced by the \$1.6 million of university contingency funds, the actual increase in the budget of the governor's office is 28.4 percent. These contingency funds are to be distributed by the governor as needed if vacancy savings of 3.5 percent are not realized for the instructional faculty at the six universities and college units.

Executive Office

Several bills were passed by the 1981 legislature which further increase the appropriation to the governor's office. These bills include: HB 828, which appropriates \$500,000 to the governor's office to advocate the state's opposition to federal legislation that would prohibit or diminish the state's right to levy a 30 percent coal severance tax; and HB 810, which appropriates \$258,000 for the 1983 biennium to the governor's office so that the state may enter into an agreement with other affected states to preserve certain rail services.

The governor's salary is increased from \$40,000 in fiscal 1981 to \$43,360 in fiscal 1982 and \$47,023 in fiscal 1983.

Two additional administrative assistants are included in this budget. Organizational dues payments of \$95,540 in fiscal 1982 and \$121,980 in fiscal 1983 represent a 50 percent increase over the previous biennium. This expense includes \$105,000 for old west regional commission dues which are line itemed so that any savings will revert to the general fund.

Additional consultant services of \$20,000 in fiscal 1982 and \$21,600 in fiscal 1983 are included. The office expended no funds on consulting services in fiscal 1980.

House bill 23 transferred the Duke airplane from the department of community affairs' air pool to the governor's office and provided \$45,000 general fund in fiscal 1981 for pilot services and operating expenses. The appropriation in HB 500 includes \$90,124 in fiscal 1982 and \$99,900 in fiscal 1983 for the continued maintenance of the Duke airplane as well as retention of one full-time pilot. An additional biennial appropriation of \$70,000 will be used for engine replacement. The governor's travel budget, aside from this appropriation, is \$57,084 in fiscal 1982 and \$61,651 in fiscal 1983.

The office of commerce and small business, previously within the governor's office, is transferred to the newly established department of commerce and, therefore, is not reflected in the agency table. All economic research grants and economic development grants and loans have been transferred to the new agency. However, one FTE and related federal funds remain in the executive office to administer grants of the old west regional commission.

Mansion Maintenance

This staff has been reduced from 4.25 FTE to 3.25 FTE as one of the security positions is deleted. An appropriation of \$10,800 is provided to replace carpeting and major equipment.

Office of Budget and Program Planning

Five positions, including two administrative positions and three budget analysts, have been deleted from this budget, as requested by the governor's office. General fund is provided for a position that will monitor federal contracts obtained by this office. Indirect cost reimbursement for this service shall be reverted to the general fund.

Additional data-processing expenses of \$20,000 per year are included for further systems development and enhancements.

Legal Jurisdiction

Two FTE's, including an attorney and a secretary, are deleted from this Missoula-based program. The attorney, however, is placed on contracted services with \$20,000 allocated for this expense in fiscal 1982 and \$21,600 in fiscal 1983.

A grade 17 Helena-based attorney, requested to coordinate the program's activities, is not authorized.

Lieutenant Governor

The lieutenant governor's salary is increased from \$28,700 in fiscal 1981 to \$31,077 in fiscal 1982 and \$33,671 in fiscal 1983. Personal services are reduced with the deletion of one full-time administrative assistant position as requested by the governor's office. The remaining appropriation reflects a current level operation.

Citizens Advocate

Additional funds are included for listing the office's number in telephone directories statewide.

Board of Visitors

A modified request of \$22,000 for travel was not appropriated. However, the board does receive an additional \$4,700 for consulting services and honorariums of board members during the biennium.

STATE AUDITOR

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$1,530,328	\$1,588,233	\$3,118,561
Appropriation	<u>1,569,845</u>	<u>1,606,452</u>	<u>3,176,297</u>
Approp. over(under) Exec.	<u>\$ 39,517</u>	<u>\$ 18,219</u>	<u>\$ 57,736</u>
Percent over(under) Exec.	2.6	1.2	1.9
<u>Total Expenditures</u>			
FTE	58.00	58.00	
Executive Request	\$1,655,328	\$1,738,233	\$3,393,561
Appropriation	<u>1,694,845</u>	<u>1,756,452</u>	<u>3,451,297</u>
Approp. over(under) Exec.	<u>\$ 39,517</u>	<u>\$ 18,219</u>	<u>\$ 57,736</u>
Percent over(under) Exec.	2.4	1.1	1.7
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$2,712,443 ^a	\$3,176,297	17.1
Total Expenditures	2,898,351	3,451,297	19.1
Expend. With Pay Plan Est.	2,898,351	3,779,527	30.4
Ending Year FTE	52.00	58.00	11.5

^aIncludes a general fund supplemental of \$655 for travel expenses of the presidential electors.

This agency provides centralized warrant writing and payroll services and fulfills various regulatory responsibilities related to the securities and insurance industry.

The agency receives a significant increase in its personal services appropriation with the addition of six new positions. Major increases in operating expenses include data-processing expenses in the payroll division

and legislative audit fees that were not previously appropriated in this budget.

The elected official's salary increases from \$26,500 in fiscal 1981 to \$28,685 in fiscal 1982 and \$31,071 in fiscal 1983 as a result of HB 580.

Management and Control

Replacement of major items of equipment, including a postal mailing machine, a ten-key posting machine, and a tic-o-meter, adds \$17,774 for the biennium.

Central Payroll

Implementation of a new payroll system, as a component of the new integrated payroll/personnel/position control (P/P/P) system, is expected to occur at the beginning of fiscal 1982. The new system is expected to provide:

1. verification of the correct rate of pay for the authorized grade and step of each position;
2. system security of all data maintained;
3. enhancements of the compilation of state and federal tax reporting requirements for payroll;
4. accounting of each employee's sick and vacation leave; and
5. direct bank deposits of employee wages.

Additional personal services and operating expenses occur as a result of the new system. Increases in personal services include a systems coordinator to coordinate all three components of the new P/P/P system. Upgrades of three current level positions are also funded due to the assumption of additional responsibilities with the new system. Likewise, an administrative

assistant and a payroll clerk that were added in fiscal 1981 to support the new system are continued.

Increased operating expenses include data-processing expenses of \$174,555 in fiscal 1982 and \$228,568 in fiscal 1983. This represents a 124 percent increase over the 1981 biennium. This expense includes \$45,000 in fiscal 1982 and \$49,050 in fiscal 1983 for systems support.

Administrative Support

One grade nine payroll clerk is approved.

Insurance Regulation and Licensing

Two additional positions are authorized: a grade 11 para-legal and a grade 7 clerk-typist. These positions will help alleviate workload increases as well as provide support for additional responsibilities assumed by the office as a result of new legislation. Several bills that were passed during the 1981 session increase the agency's responsibilities. House bill 385 directs the commissioner to examine each nonprofit health service organization once every four years and senate bill 333 specifies standards for simplified language on insurance forms.

Authorized major equipment purchases include a lektriever for \$10,400 and a word-processor for \$12,500.

Actuarial fees, appropriated at \$10,000 per year, increase significantly as this expense was only \$2,500 in fiscal 1980.

Travel expenses also increase significantly for current level activities. An additional \$10,400 is provided for the biennium.

Securities Investment and Licensing

This division receives two additional positions due to the increase in

workload: a grade 14 investigator and a grade 12 administrative assistant. An appropriation of \$2,000 in fiscal 1982 is provided to remodel existing office space to accomodate these additional employees.

Additional communications costs of \$3,600 per year to expand the division's access to a national automated information system on salesmen's licensing is included as well as funds for an additional lektriever. Operating expenses for this division that were previously paid out of other divisions' budgets, including communications and rent, have been transferred to this division.

SECRETARY OF STATE

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 982,968	\$1,017,424	\$2,000,392
Appropriation	<u>777,724</u>	<u>812,962</u>	<u>1,590,686</u>
Approp. over(under) Exec.	\$ (205,244) =====	\$ (204,462) =====	\$ (409,706) =====
Percent over(under) Exec.	(20.9)	(20.1)	(20.5)
<u>Total Expenditures</u>			
FTE	33.17	33.17	
Executive Request	\$1,007,968	\$1,044,424	\$2,052,392
Appropriation	<u>857,724</u>	<u>893,962</u>	<u>1,751,686</u>
Approp. over(under)Exec.	\$ (150,244) =====	\$ (150,462) =====	\$ (300,706) =====
Percent over(under) Exec.	(14.9)	(14.4)	(14.7)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$1,249,286 ^a	\$1,590,686	27.3
Total Expenditures	1,278,383	1,751,686	37.0
Expend. With Pay Plan Est.	1,278,383	1,930,681	51.0
Ending Year FTE	28.17	33.17	17.8

^aIncludes a general fund supplemental of \$53,655 for transition costs of the new administration and expenses related to training of election judges.

This agency fulfills various clerical and custodial functions related to commercial and official documents, provides numerous election-related services, and administers the filing and publication of administrative rules.

Major increases in the agency's budget occur due to legislative approval of significant modifications in both the records management and administrative code divisions. These modifications will allow the agency to:

1. modernize its current record keeping system;
2. improve accessibility to the administrative code; and
3. facilitate better service to consumers.

The agency also receives an additional \$16,300 in personal service funds to increase salaries of 14 positions that have been exempted by the newly elected official. Merit increases of \$5,613 per year are also provided.

The secretary of state's salary is increased from \$26,500 in fiscal 1981 to \$28,685 in fiscal 1982 and \$31,071 in fiscal 1983 as a result of HB 580.

Records Management

This division receives funding for two major modifications:

1. An appropriation of \$71,700 for the biennium is authorized to relieve workload increases. This appropriation adds a corporate documents worker and an office clerk as well as \$10,000 per year for additional operating expenses.

2. An appropriation of \$200,000 for the biennium is authorized to fund systems development for the agency's documents relating to trademarks, corporations, and the uniform commercial code. The legislature included language specifying that the agency shall contract with the department of administration for these services.

Printing expenses include \$53,000 for the Voter Information Pamphlets. Since this expense has ranged from \$29,609 in fiscal 1980 to \$62,300 in fiscal 1978, this amount was line itemed. The legislature requests that the agency explore other options for printing this information, including in-house printing supplied by the department of administration.

Administrative Code

This division receives a major modification to index the Administration Rules Manual. An appropriation of \$90,038 for the biennium allows for three additional FTE, two clerks and one data entry operator, plus operating expenses averaging \$10,000 per year.

Microfilming Request

The agency requested a major modification to establish a secretary of state microfilming operation. The legislature rejected this proposal but did recommend that the agency's microfilming project be accomplished by the centralized facility in the department of administration. When the secretary of state refused to consider this option, no funds were appropriated.

COMMISSIONER OF POLITICAL PRACTICES

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
FTE	5.00	5.00	
Executive Request	\$118,685	\$118,449	\$237,134
Appropriation	<u>120,466</u>	<u>119,992</u>	<u>240,458</u>
Approp. over(under) Exec.	\$ 1,781 =====	\$ 1,543 =====	\$ 3,324 =====
Percent over(under) Exec.	1.5	1.3	1.4
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$208,045 ^a	\$240,458	15.6
Expend. With Pay Plan Est.	208,045	271,027	30.3
Ending Year FTE	5.00	5.00	0.0

^aIncludes a general fund supplemental of \$8,140 for expenses related to additional responsibilities added through Initiative 85 and for termination pay for the previous commissioner.

An appointed official, the commissioner of political practices enforces election laws related to campaign finances. This office is also charged with disseminating information to the public that relates to statutory campaign reporting requirements.

Personal services remain at current level. House Bill 580 increases the commissioner's salary from \$22,000 in fiscal 1981 to \$23,794 in fiscal 1982 and \$25,754 in fiscal 1983.

Additional printing expenses of \$2,500 and postage of \$600 are provided to print and distribute reporting forms, manuals, and rules to all candidates for the 1982 municipal elections.

Additional travel of \$6,100 for the biennium is provided for the auditor. This position, which was authorized by the 1979 legislature, was hired late in fiscal 1980.

Initiative 85

Initiative 85, which was passed in November 1980, increases this office's responsibilities relating to the public disclosure of lobbyists' funding and elected officials' business interests. The appropriation includes \$1,885 in fiscal 1982 and \$2,172 in fiscal 1983 for increased operating expenses related to Initiative 85. This appropriation is contingent upon the court ruling that the initiative is constitutional.

DEPARTMENT OF ADMINISTRATION

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 4,940,444	\$ 4,761,335	\$ 9,701,779
Appropriation	<u>5,279,206^a</u>	<u>5,101,337^a</u>	<u>10,380,543^a</u>
Approp. over(under) Exec.	<u>\$ 338,762</u>	<u>\$ 340,002</u>	<u>\$ 678,764</u>
Percent over(under) Exec.	6.9	7.1	7.0
<u>Total Expenditures</u>			
FTE	508.67	510.17	
Executive Request	\$24,478,950	\$24,822,390	\$49,301,340
Appropriation	<u>24,788,160</u>	<u>24,625,366</u>	<u>49,413,526</u>
Approp. over(under) Exec.	<u>\$ 309,210</u>	<u>\$ (197,024)</u>	<u>\$ 112,186</u>
Percent over(under) Exec.	1.3	(.8)	.2
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$11,401,891 ^b	\$10,380,543	(9.0)
Total Expenditures	43,356,720	49,413,526	14.0
Expend. With Pay Plan Est.	43,356,720	52,434,738	20.9
Ending Year FTE	505.65	510.17	1.0

^aIncludes an appropriation of \$157,500 in fiscal 1982 from HB 838 (to the local government services division); \$87,191 in fiscal 1982 and \$98,269 in fiscal 1983 from HB 827 (to the communications division); and \$75,000 per year from HB 840 (to the personnel division).

^bIncludes \$251,809 in fiscal 1981 from HB 560 to pay claims against the state.

Divisions Transferred from the Former Department of Community Affairs

The above table includes for both bienniums all appropriated funds of the three divisions transferred from the department of community affairs:

local government services, accounting and management systems, and research and information. The table does not include funds appropriated to the board of housing, as this division is transferred to the newly established department of commerce. This reorganization occurred with the passage of SB 432.

As shown in the following table, transferred divisions increase the agency's total budget \$1.67 million for the biennium, with \$1,128,321 of this amount being general fund.

Table I
Fiscal Impact of Reorganizational
Changes of SB 432
Upon the Department of Administration

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
1. Local Government	\$ 336,971	\$1,196,061	\$1,533,032
2. Accounting & Management	543,807	-0-	543,807
3. Research & Information	247,543	303,972	551,515
4. Board of Housing	<u>-0-</u>	<u>(960,777)</u>	<u>\$ (960,777)</u>
Net Transfers	\$1,128,321	\$ 539,256	\$1,667,577

Central Administration

A grade 17 attorney is authorized to provide agency-wide legal services. The agency is expected to collect a reimbursement for these services from nongeneral fund divisions. Such reimbursements shall be deposited to the general fund.

Legislative audit fees of \$207,000 for required audits of all divisions have been aggregated in one line item. Of this amount, the central office division receives \$76,000 in fiscal 1982 for this expense while the remainder is dispersed throughout numerous other divisions.

Accounting

Upgrading of three positions is approved. This should help the division implement generally accepted accounting principles (GAAP) related to the state's financial reports. Additional operating expenses of \$21,900 in fiscal 1982 and \$32,675 in fiscal 1983 are included.

The division will continue to contract with the information systems division for systems support. The appropriation includes \$77,000 in fiscal 1982 and \$84,700 in fiscal 1983 for this expense.

Architecture and Engineering

An additional accountant position is approved for the 1983 biennium only so that the division can complete the interface of long-range building accounts with SBAS.

Information Systems Division

General fund support is continued for the consulting services' bureau, which provides management studies. However, no general fund is provided for administering this bureau. The budget office may require nongeneral fund agencies that receive services from the bureau to pay for the services received. Such income shall be deposited in the general fund.

The remainder of the division's operation, which is responsible for developing and managing automated management information systems, is funded at current level with revolving fund support.

Publications and Graphics Division

This division is made up of two bureaus, graphic arts and duplicating.

Five positions that were added by budget amendment in fiscal 1980 to establish a graphics arts bureau are continued. An additional graphics arts

technician and a duplicating machine operator are also approved.

The division is directed to establish a separate revolving account for the graphic arts bureau to insure that it maintains a self-supporting operation. This bureau's activities, which include typesetting, forms design, and graphic art services, are completely separate from those of the duplicating bureau.

The legislature was concerned with the substantial fund balance maintained by the duplicating bureau. The division is directed to reduce the fee schedule of this bureau so that the fund's reserves are decreased to a 45-day operating level.

A significant increase in the duplicating services' equipment appropriation, which adds \$214,300 for the biennium, allows the division to replace existing equipment with more cost efficient items. This appropriation includes only one total copy center.

A Heidelberg press is not authorized. The legislature requests that the division study this proposal for an expanded printing operation during the biennium and submit its findings to the legislature next session.

Computer Services

A biennial appropriation of \$831,300 for a new computer, which will be purchased over a five-year period, is authorized. User charges are not expected to increase for this purchase and, in fact, batch-processing charges are expected to stabilize.

A capital improvement appropriation of \$100,000 in fiscal 1982 is included to establish an emergency facility for use in case of a disaster. This emergency facility would allow the state to maintain essential computer services in the event that the centralized computer center was impaired or destroyed.

General Services

The rental charge (per square foot) for the 1983 biennium is authorized at \$2.62 in fiscal 1982 and \$2.69 in fiscal 1983. The rate increase between fiscal 1982 and 1983 is less than would be expected, as the inclusion of the new justice building in fiscal 1983 will generate additional income without increasing costs a like amount. The division may continue in-house janitorial services provided it does not exceed its appropriation. An additional maintenance worker and painter are authorized to service the additional buildings.

The mail and messenger services bureau is funded at current level except for the reduction of a .5 FTE mail clerk.

Purchasing Division

Development of an automated purchasing management information system is authorized, adding \$190,515 for the biennium. One FTE is deleted in fiscal 1983 since implementation of the new system is expected to reduce the need for clerical support.

Continuation of the central stores, initiated in fiscal 1980, is approved. The revolving fund appropriation includes store inventory of \$740,300 in fiscal 1982 and \$803,316 in fiscal 1983. Repayment of the \$150,000 inter-entity loan that was used to establish this operation is expected to occur during the 1983 biennium. This loan was obtained from the agency's buildings and grounds' account and the building codes' revolving fund.

Treasury Division

Additional funds of \$12,793 for the biennium are provided so that daily armored guard service may be used in transferring funds to local banks. This coverage, which was not provided in the past, is required under the existing insurance policy.

Board of Investments

The board of investments receives a 46 percent increase in staff. This increase in staff includes a systems analyst that was added by budget amendment in fiscal 1982, two portfolio managers, and three security analysts.

The board also receives an additional \$8,000 in contracted services in fiscal 1982 and an additional \$3,600 in travel funds for the biennium.

Senate bill 330 authorizes a lending program for state securities. Although this may require some limited additional accounting responsibilities of the division, no additional staff was authorized due to the significant increase in staff already added for the 1983 biennium.

The investment revolving fund is changed to an earmarked fund.

Communications

House bill 827 provides \$87,191 general fund in fiscal 1982 and \$98,269 general fund in fiscal 1983 for telecommunications planning. The legislature requests that the department implement a long-range telecommunications plan with the cooperation of other key agencies. The legislature indicated its interest in a cooperative effort by all state agencies in coordinating these planning activities through a letter which was sent to the administrator of the department of administration and the governor.

This plan should seek to coordinate planning efforts in telephony, data-transmissions, and land mobile radio systems. The completed plan is to be presented to the 1983 legislature and will be used to establish communication-related appropriations. The legislature also requests that the division establish a pilot project for a high-band land mobile radio communications system. The project should be developed in cooperation with the state's major users, the justice and the highway departments.

Communication expenditures include \$300,000 in fiscal 1982 for the installation of an automatic switch device that would significantly enhance services provided by the state's telephone network.

The division is allowed to continue a communications engineer position, contingent upon continuation of a full-time contract with the health department.

Personnel

Changes in personal services include deletion of one personnel specialist and authorization of a coordinator for the handicapped. The division has indicated that a state plan, identifying options that will facilitate hiring of handicapped individuals, will be developed during the 1983 biennium.

Data-processing expenses for the position control document, previously within the office of budget and program planning, are now included in this budget. Data-processing expenses for this system, as well as the personnel system, increase significantly with the implementation of the newly developed payroll/personnel/position control (P/P/P) system.

The anticipated resignation of the current bureau chief of the labor relations bureau is expected to leave the bureau without adequate legal counsel. An attorney position that was reclassified in fiscal 1980 to a personnel specialist position is reinstated in the labor relations bureau for the coming biennium in order to provide the needed legal expertise.

A new consumer health education program is authorized for the 1983 biennium. The employees' group health insurance fund shall provide the necessary funds (limited to no more than \$9,000), with an equal amount matched by the insurance carrier.

House bill 840 provides \$150,000 general fund for the biennium to commission a personnel and labor relations study.

Insurance Division

During the 1981 biennium, the division received general fund support for a portion of the self-insurance premiums and also for office operations. These expenses are supported with revolving funds in the 1983 biennium except for the state's fire and extended coverage policy, which is continued on general fund. This funding adjustment reduces the division's general fund appropriation \$1.6 million from the previous biennium.

An investigator and a legal secretary, added by budget amendment in fiscal 1980, are continued. Self-insurance premiums are maintained at the 1980 level since a recent actuarial evaluation indicated that the reserves are more than sufficient.

Workmens' Compensation Judge

A law clerk is authorized so that the court may reduce delays in delivering opinions. Additional travel funds of \$3,000 per year have been allowed.

Public Employees' Retirement System

A public information officer is continued and a systems support position is added to maintain the newly developed information system. This system provides management information regarding the accounts of active participants and retirees.

The division receives an additional \$5,625 in fiscal 1982 and \$3,750 in fiscal 1983 to implement the requirements of HB 372. Since this bill allows the board to review disability claims, funds are provided for related medical expenses.

The division also receives \$25,770 in fiscal 1982 and \$25,270 in fiscal 1983 to implement the requirements of HB 674, which provides for a unified firefighters' retirement system. A grade 14 accountant is authorized to initially audit the current retirement records and establish standardized accounting records and financial statements. The tasks are expected to be completed at the end of fiscal 1983 at which time this position is to be terminated. Actuarial expenses of \$6,000 per year are also provided.

Teachers' Retirement System

Funding of \$140,000 for a major systems development project is authorized. An appropriation of \$9,163 allows the division to continue microfilming nonactive records.

State Tax Appeals Board

The board received a significant increase in their appropriation for fiscal 1980 due to the anticipated large case load related to the "34 percent" cases. The board continues to receive an expanded appropriation level since a major portion of these cases have not been resolved. The board also receives an additional .5 FTE for services that were previously contracted out.

The board received a supplemental appropriation of \$52,000 in fiscal 1981 due to the continued large case load related to the "34 percent" cases. This appropriation actually continued general fund that had been reverted at the end of fiscal 1980.

Local Government Services

Prior to this biennium, this division was fully general funded, with all collected audit fees being deposited directly to the general fund. House bill

838 requires the division to establish a self-supporting auditing function in the 1983 biennium, with all audit fees being deposited in a revolving fund. It is anticipated that audit fees will increase significantly in order to maintain a self-supporting operation. The bill also appropriates \$157,500 from the general fund to provide initial funds to establish this new revolving fund.

House bill 500 does continue general fund support for the division's administrative support services, which provide ad-hoc consulting services to local governments. This appropriation includes funding for 6.7 FTE and a proportionate share of the division's operational expenses.

Accounting and Management Systems

General fund support is continued at current level for this division. Legislative concern was expressed over the continued delay in completing the implementation of the budgeting, accounting, and recording systems (BARS) for local governmental entities. Therefore, the legislature requests that the project be completed no later than the end of fiscal 1984.

An additional \$5,000 per year is provided for travel.

Research and Information

A current level appropriation is provided for this division, with 45 percent of the budget receiving general fund support and the remaining portion funded from federal and revolving funds.

Rent Expenses of Those Divisions Transferred from the Department of Community Affairs

Sometime during the 1983 biennium, the state anticipates purchasing the building that houses a majority of the divisions of the former department of community affairs. This will significantly reduce rent expenses for local

government services, accounting and management, and research and information divisions. However, no reduction in the appropriation was made since the anticipated date of sale is not known. Instead, the divisions are expected to revert the savings incurred when the rent expense reduction occurs.

Emergency District Court Funding

The legislature appropriated \$375,000 of general fund each year of the biennium for emergency grants to district courts. No appropriation for this expense was made in the 1981 biennium even though enabling legislation was passed. It is the legislature's intent that these funds be spent only for extraordinary expenses related to extended criminal cases or state government-related suits in Lewis and Clark county.

The director of the department of administration is charged with disbursing these grants. These disbursements, which may not exceed the amount appropriated each year, may be made only under the conditions specified in SB 300.

DEPARTMENT OF JUSTICE

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$13,718,754	\$13,782,560	\$ 27,501,314
Appropriation	<u>8,643,149</u>	<u>8,245,180</u>	<u>16,888,329</u>
Approp. over(under) Exec.	<u>\$(5,075,605)</u>	<u>\$(5,537,380)</u>	<u>\$(10,612,985)</u>
Percent over(under) Exec.	(37.0)	(40.2)	(38.6)
<u>Total Expenditures</u>			
FTE	521.35	521.35	
Executive Request	\$16,169,030	\$16,262,882	\$32,431,912
Appropriation	<u>16,892,333</u>	<u>16,647,017</u>	<u>33,539,350</u>
Approp. over(under) Exec.	<u>\$ 723,303</u>	<u>\$ 384,135</u>	<u>\$ 1,107,438</u>
Percent over(under) Exec.	4.5	2.4	3.4
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$ 3,909,521	\$16,888,329	332.0
Total Expenditures	29,784,616	33,539,350	12.6
Expend. With Pay Plan Est.	29,784,616	36,643,694	23.0
Ending Year FTE	515.25	521.35	1.2
<u>General Fund Increase</u>			

General fund increases 332 percent from the 1981 biennium. This increase of \$12,978,808 is directly related to several funding changes.

1. During the 1981 biennium, all three programs which make up the highway patrol (patrol operations, driver licensing and field services) were funded from the highway earmarked account. In the 1983 biennium, costs related to salaries of uniformed patrolmen will continue to be paid from the highway earmarked account (\$9,005,040). However, highway patrol operating

expenses and nonuniformed personnel salaries were moved off of highway earmarked funds and onto general fund (\$9,137,715). An additional \$159,448 in revenue comes from fees for identification cards, licenses and miscellaneous collections.

2. Several programs were moved off of the motor vehicle account and onto general fund as revenue projections for the motor vehicle account were far below projected expenditures. Programs transferred to general fund include:

Crime Lab	\$ 508,207
Law Enforcement Network (\$150,000 still funded from motor vehicle account)	783,622
Law Enforcement Academy	879,386
Central Services	617,533
Data Processing	375,225
Forensic Science	<u>382,626</u>
Total	\$3,546,599

HB 500 states that any fund balance remaining in the motor vehicle account at the end of a fiscal year is to revert to the general fund.

3. The antitrust program, previously funded from federal funds and revolving funds, is now funded from the general fund at \$100,000 per year.

Gasoline Usage

The justice department is a major user of gasoline as many of their functions require travel. It was determined that the average price of gasoline in fiscal 1980 was \$1.00 per gallon. Therefore, dollars spent in fiscal 1980 equaled gallons used. The legislature, desiring current level services to continue, directed that the fiscal 1980 gallon useage remain constant for fiscal 1982 and fiscal 1983. Prices of \$1.65 per gallon in fiscal 1982 and

\$1.95 per gallon in fiscal 1983 were projected and applied to gallons used to determine gasoline costs.

Legal Services Division

One secretarial position was added to legal services. Travel was increased significantly for case-related activities. It is difficult to predict which legal cases will progress to a federal level requiring out-of-state travel or those in-state cases which may require extensive travel. Therefore, increased travel amounts are line-itemed and are to be used only for case-related travel.

The salary for the attorney general was raised from \$36,500 in fiscal 1981 to \$39,555 and \$42,887 respectively for the 1983 biennium in accordance with HB 580.

The antitrust bureau was dissolved with the antitrust enforcement effort transferred to legal services. Staff was reduced by one lawyer and one secretary. This leaves an investigator and one attorney to pursue antitrust matters. The legislature believed that in-state activities should become the main focus of antitrust enforcement efforts. In line with this directive, contracted services of \$16,500 per year for multi-state cases were line-itemed. Since the antitrust program is 100 percent general fund, any collections from case settlements are to be deposited to the general fund.

Agency legal services was kept at current level. Charges are not to exceed \$30.00 per hour in fiscal 1982 and \$35.00 per hour in fiscal 1983.

Funds remaining in the coal tax defense appropriation at the end of the 1981 biennium are reappropriated for the 1983 biennium to continue the defense effort. These funds, which should approximate \$400,000, are to be spent only for costs related to the legal effort. The governor's office

receives \$500,000 to pay lobbying expenses related to the coal tax defense.

Motor Vehicle Division

The appropriation for the program of the motor vehicle division administrator was increased with the passage of HB 684. This bill transfers the responsibility of providing hearings for car dealers, whose franchises are terminated, from business regulations to the motor vehicle division. Five thousand dollars a year to contract with a hearings officer and related costs is line-itemed. As provided by statute, parties involved in the hearing process are to bear the cost. These collections made by the division are to be deposited to the general fund. Also added as a result of HB 684 is a .5 FTE clerical position.

Patrol operations receives \$98,832 in fiscal 1982 to put on a highway patrol recruit school for 27 students. Three of these students are for increases in the highway patrol force. Concern was expressed over administrative travel in state cars to and from work. Such usage is to be minimized. The position for the chief of the highway patrol is expected to remain vacant for most of fiscal 1981. The legislature expects these savings to revert to the highway earmarked account rather than be transferred to other programs.

General fund of \$5,000 per year is added to the patrol operations program as a result of HB 364. HB 364 allows DWI (driving while intoxicated) first offenders to be jailed at the discretion of the court. The bill further extends the possible jail sentence for second offenders. The \$5,000 per year will pay the \$10 per day charge by city/county jails.

Eight gas efficient cars were added in fiscal 1982 to the driver licensing program. Anticipated gas consumption and related costs were decreased

based on this purchase. Not recommended was \$16,000 and \$10,000 to automate and improve the driver history system. It was felt sufficient funds existed in the current level budget to accomplish this task.

Major gas increases were recommended for the field services program increasing gas costs from \$489,000 in fiscal 1980 to \$839,000 in fiscal 1982 and \$963,000 in fiscal 1983. Increases reflect increasing gas prices, not an increase in usage. Seventy cars a year for replacement are recommended along with other equipment needs. In fiscal 1982, \$14,000 is included to replace a radio base station.

Three new patrolmen and support costs were added at a cost of \$112,046 in fiscal 1982 and \$78,733 in fiscal 1983.

One data entry supervisor position was deleted within the motor vehicle registration program. Funds for a microfilming camera, word-processing equipment and four additional terminals were appropriated. Installation of these terminals, which are placed in county treasurer offices, will allow the program to automate registration for four more counties.

Two bills passed which increased the funding of this program.

Motor vehicle fees of \$3,750 in fiscal 1982 were added in response to SB 466. This bill allows for the distribution and use of demonstrator plates. Funds will be used for stickers or the design of a new plate.

HB 389 requires quarterly registration of vehicles owned by nonresidents temporarily employed in Montana. The \$5,000 per year will purchase decals for identification purposes.

Data Processing Division

Communication increases of over 100 percent are anticipated for the law

enforcement network system. These communication costs, which may approach \$400,000 in fiscal 1982 (fiscal 1980 = \$187,000), will drop to \$236,000 in fiscal 1983. This decrease relates to a recommended one-time purchase of 46 terminals in fiscal 1982. These terminals, which are placed in local law enforcement offices, will replace those presently being rented. Four additional terminals and support costs are included to allow four more law enforcement agencies onto the system.

The data processing program was funded at current level.

Law Enforcement Division

One regional training coordinator, previously funded with budget amended federal funds, was permanently added to the law enforcement academy bureau. A new charge of \$5.00 per student per regional school will be instituted. Funding is from the general fund and student fees.

Funding for the county prosecutor services program is 100 percent general fund. The previous revolving fund was eliminated. Collections from counties are to be deposited directly to the general fund. Fees of \$25.00 per hour in fiscal 1982 and \$30.00 per hour in fiscal 1983 will be charged. Severance pay of \$4,900 is line itemed.

Major increases in staff and operating expenses were included for the identification bureau in response to the passage of the Montana criminal justice information act of 1979. One latent fingerprint examiner and two fingerprint technicians were added to current staff. For the biennium, \$56,000 is appropriated to allow development and automation of the bureau's records.

Programs within this division that were kept at current level include administrator of law enforcement services, fire marshal, and criminal investigations.

Forensic Science Division

The forensic science program is reduced by one FTE, a lab director. These responsibilities have been assumed by the present chief of the criminal investigation lab. An assistant administrator, salaried at \$36,000, is replaced with an administrative assistant at a salary of \$13,500. Language in HB 500, the general appropriations act of 1981, states that funds will not be used to reinstate the assistant administrator position.

One additional forensic scientist was added to the criminal investigation lab along with support costs. Operating costs increase as a larger facility is now being rented. Also, increases occur relating to evidence kits which are supplied to local law enforcement agencies for rape cases. Collections from the sale of these kits are to be deposited to the general fund. The division is requested to explore the benefits of leasing lab equipment as compared to an outright purchase.

Central Services Division

All programs within this division were kept at current level. These programs include central services, transportation of prisoners, and county attorney payroll.

DCA Transfer

The highway safety program was transferred from the department of community affairs (DCA). One position was added to supply accounting and auditing services previously supplied by the centralized services of DCA. Operating costs are kept at current level.

Supplemental Bills

Two supplemental funding bills passed which increased the department's

1981 general fund. House bills 94 and 865 added the following amounts.

County Prosecutor Services	\$ 19,075
Transportation of Prisoners	64,000
Criminal Investigation	5,658
Antitrust Enforcement	32,833
County Attorney Payroll	<u>39,000</u>
Total	\$160,566

The supplemental funding for county prosecutor services and antitrust enforcement replaced anticipated revenue shortages for the last half of fiscal 1981. Any revenue collections after January 1, 1981 are to be deposited to the general fund.

House bill 560 appropriated money to certain state departments to satisfy court judgements or claims against the state. The department of justice received \$66,619 for fiscal 1981 for the case involving the Lease America Corporation.

BOARD OF CRIME CONTROL

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 216,065	\$ 219,802	\$ 435,867
Appropriation	<u>219,400</u>	<u>217,900</u>	<u>437,300</u>
Approp. over(under) Exec.	\$ 3,335 =====	\$ (1,902) =====	\$ 1,433 =====
Percent over(under) Exec.	1.5	(.9)	.33
<u>Total Expenditures</u>			
FTE	18.50	18.00	
Executive Request	\$ 3,244,779	\$3,286,979	\$ 6,531,758
Appropriation	<u>1,723,500</u>	<u>2,722,300</u>	<u>4,445,800</u>
Approp. over(under) Exec.	\$(1,521,279) =====	\$ (564,679) =====	\$(2,085,958) =====
Percent over(under) Exec.	(46.9)	(17.2)	(31.9)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$ 580,303	\$ 437,300	(24.6)
Total Expenditures	11,808,892	4,445,800	(62.4)
Expend. With Pay Plan Est.	11,808,892	4,563,607	(61.4)
Ending Year FTE	32.00	18.00	(43.7)

The reduction in the program's operating level is due to the anticipated reduction in federal funds. Only those funds which relate to the juvenile justice act are continued, resulting in a significant reduction in FTE. Since less federal funding is anticipated in fiscal 1983, the FTE level is reduced even further in that year. The appropriation of federal funds reflects the maximum amount the board anticipates receiving, given the current federal legislation. Therefore, the board indicated that pay plan raises would be paid from the appropriated funds within HB 500. The budget office has

approved additional spending authority from HB 840 for pay raises which may be used if sufficient funding becomes available.

The 1981 biennial amount includes over four million dollars of continuing appropriations for such grants. Of this amount, \$156,200 is general fund and the remaining is federal funds.

The appropriation includes \$1,100,000 in fiscal 1982 and \$2,000,000 in fiscal 1983 for action grants that are disbursed to local governmental entities and state agencies. The appropriation also includes 100 percent general fund support for two programs that required only ten percent general funding in the 1981 biennium; these are the uniform crime reporting system and the criminal justice data center. If federal funds should become available for these programs in the future, an equal amount of general fund, less matching requirements, should be reverted. No contingency matching funds are provided for new federal money that may become available in the future. The appropriation also continues 100 percent general funding for the police officers' standards training (POST). The remaining appropriated general fund is used to match available federal funds.

If additional funds become available and more staff is required, the legislature requests that the staffing level not exceed the 1980 level of 32 FTE.

DEPARTMENT OF REVENUE

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$12,681,653	\$12,961,299	\$25,642,952
Appropriation	<u>12,619,529</u>	<u>12,774,153</u>	<u>25,393,682</u>
Approp. over(under) Exec.	\$ (62,124) =====	\$ (187,146) =====	\$ (249,270) =====
Percent over(under) Exec.	(.5)	(1.4)	(1.0)
<u>Total Expenditures</u>			
FTE	738.92	737.92	
Executive Request	\$15,032,095 ^a	\$15,355,200 ^a	\$30,387,295 ^a
Appropriation	<u>14,546,495</u>	<u>14,758,131</u>	<u>29,304,626</u>
Approp. over(under) Exec.	\$ (485,600) =====	\$ (597,069) =====	\$(1,082,669) =====
Percent over(under) Exec.	(3.2)	(3.9)	(3.6)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$22,713,444 ^b	\$25,393,682	11.8
Total Expenditures	28,678,055	29,304,626	2.2
Expend. With Pay Plan Est.	28,678,055	33,221,989	15.8
Ending Year FTE	733.42	737.92	.6

^aDoes not include request for liquor division.

^bDoes not include property tax relief.

The appropriation for the department of revenue reflects, for the most part, inflationary increases. The only significant area of increase is within the income tax division which will be discussed in detail later.

Director's Office

Funding for the director's office continues the split of 60 percent general

fund and 40 percent highway earmarked funding. Legal costs of \$25,000 per year are line itemed.

Audit and Accounting

FTE within the audit and accounting division increase by 1.5 FTE as a part-time cashier and a full-time bad debt collector were added.

Recovery Services

The recovery service division, which administers the child support enforcement effort, received three lawyers to replace private legal counsel. A savings of \$20,000 per year should be realized. In fiscal 1980, this program returned to the state \$1.01 for every \$1.00 spent. Should this program return \$1.05 per \$1.00 of expense in fiscal 1982, the program may increase staff by four investigators with a maximum appropriation increase of \$16,000 in general fund and \$48,000 in federal funds for fiscal 1983. This expansion, if instituted, will not automatically become part of current level but will be evaluated by the next legislature.

Legal Division

The responsibilities of the legal division were expanded in fiscal 1980 with the transfer of the medicaid fraud unit from SRS. These additional four FTE (lawyer, auditor, investigator, para-legal) and related operating expenses are included within current level. Funding allows for the purchase of one car per fiscal year.

Liquor Division

The liquor division is again given blanket spending authorization for purchase of adequate inventories as well as operating expenses. A profit goal of \$13 million for the 1983 biennium is established with a requirement

that not less than \$13 million be deposited for the 1983 biennium. Pricing formulas may be increased but only to obtain the profit goal. Language within HB 500, the general appropriation act of 1981, details further operational expectations of the division.

Income Tax

The income tax division staff was increased by six FTE. Four FTE will increase the compliance effort, checking for employer compliance and following up on delinquent accounts. Two FTE will work in the collection area. Presently over \$4 million in collections are present in backlogged cases. Ten thousand dollars per year for prosecution of tax violations was also included.

Corporation Tax

Additional travel funds were included for the corporation tax division as the majority of travel is out-of-state in high-cost areas. The department is directed to explore the possibility of a career ladder in order to retain corporation auditors. These findings are to be presented to the next legislature.

Property Valuation

The recommended operating level of the property valuation division reflects a current level base of \$7.8 million in fiscal 1982 and \$7.9 million in fiscal 1983. A request for an additional \$5 million per year to finish re-appraisal over the next four years was requested through HB 823. The bill was killed.

Language is included within HB 500 which requires counties to furnish office space within county buildings to assessors and appraisors at no cost to the state. If space is not available in county buildings, rent may be charged.

Senate bill 50 established salaries for elected county officials. County assessors and their chief deputy are paid from the property valuation program, yet their salaries are established in SB 50. Salary increases in SB 50 exceed pay increases for state personnel as established in HB 840. Therefore, \$50,000 was added to make up for the difference.

Operations Division

Closure of the central supply store, which is within the operations division, was directed by the legislature. Purchases are to be made from the state's central supply store. All cash within the revolving account at the end of fiscal 1981 and collections from the liquidation of inventory during the 1983 biennium are to be deposited to the general fund.

Of the three FTE working within the central supply store, two will continue to handle ordering and miscellaneous jobs nonrelated to the central store. The third position will be transferred to the mail room. The operations division received over \$20,000 for mailing equipment.

Investigation

Through reorganization, an administrative position and a secretary are deleted from the investigation division. This small division will be merged with the legal division.

Research and Information

Research and information staff was increased by two analysts. The legislature was concerned about the efficiency of this division, identifying several developmental needs within the department which have not been met. Increased staff, equipment, and operating expenses are expected to meet the department's needs. The revolving account for this division was eliminated.

The miscellaneous tax and inheritance tax divisions are kept at current level.

Supplemental Funding

Between the two supplemental bills (house bills 94 and 865) \$535,000 in general fund was appropriated to the property valuation division for fiscal 1981. This money will be used to represent Montana in a suit brought by Burlington Northern. In the suit, property classification of the railroad's holdings is questioned. Funds will be used for an appraisal study of the Burlington Northern's property as well as legal costs. Funds remaining, at the end of fiscal 1981 may be continued into the 1983 biennium.

ADJUTANT GENERAL

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 816,658	\$ 904,823	\$1,721,481
Appropriation	<u>839,240</u>	<u>916,865</u>	<u>1,756,105</u>
Approp. over(under) Exec.	\$ 22,582 =====	\$ 12,042 =====	\$ 34,624 =====
Percent over(under) Exec.	2.8	1.3	2.0
<u>Total Expenditures</u>			
FTE	35.30	35.30	
Executive Request	\$1,258,712	\$1,369,943	\$2,628,655
Appropriation	<u>1,527,675</u>	<u>1,670,552</u>	<u>3,198,227</u>
Approp. over(under)Exec.	\$ 268,963 =====	\$ 300,609 =====	\$ 569,572 =====
Percent over(under) Exec.	21.4	21.9	21.7
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$1,343,239	\$1,756,105	30.7
Total Expenditures	2,082,035	3,198,227	53.6
Expend. With Pay Plan Est.	2,082,035	3,394,472	63.0
Ending Year FTE	33.42	35.30	5.6

The 53.6 percent increase in the agency's biennial appropriation is largely due to the increased general fund for utilities and repair expenses for the armories and also the increase in the amount of federal funds administered by the state.

The agency has received funding for a secretary for the administration program and a grounds maintenance worker for the air national guard facility in Great Falls.

Major increases in operating expenses occur in utilities and repair and maintenance expenses for the armories. Utilities increased 32.3 percent between the 1981 and 1983 bienniums with \$340,228 appropriated in fiscal 1982 and \$404,870 in fiscal 1983. Seventy-five percent of the utility expense is paid with general funds. Repairs and maintenance increased 50 percent to \$78,365 in fiscal 1982 and \$82,280 in fiscal 1983. This expense is 100 percent general funded.

Higher communications are allowed so that recruiting efforts, which are provided primarily by federal employees, may be maintained.

An additional \$20,000 in general fund is included in the air national guard program so the state may assume control of administering the federal funds. Having the state administer the funds significantly increases the amount of federal dollars shown as appropriated.

Audit fees are line itemed with those of disaster and emergency services.

Enlistment Bonus

The 1979 legislature enacted HB 896, which provided an enlistment bonus to those members of the Montana national guard who extend or reenlist. An appropriation of \$17,500 in fiscal 1982 and \$37,500 in fiscal 1983 was authorized. The 1981 legislature continues the enlistment bonus program through HB 620, with \$7,000 appropriated in fiscal 1982 and \$14,000 in fiscal 1983.

DISASTER AND EMERGENCY SERVICES

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$159,792	\$ 166,295	\$326,087
Appropriation	<u>176,725</u>	<u>175,747</u>	<u>352,472</u>
Approp. over(under) Exec.	<u>\$ 16,933</u>	<u>\$ 9,452</u>	<u>\$ 26,385</u>
Percent over (under) Exec.	10.6	5.7	8.1
<u>Total Expenditures</u>			
FTE	18.00	18.00	
Executive Request	\$435,682	\$ 452,036	\$887,718
Appropriation	<u>471,567</u>	<u>472,755</u>	<u>944,322</u>
Approp. over(under) Exec.	<u>\$ 35,885</u>	<u>\$ 20,719</u>	<u>\$ 56,604</u>
Percent over(under) Exec.	8.2	4.6	6.4
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$307,955 ^a	\$ 352,472	14.5
Total Expenditures	809,590 ^a	944,322	16.6
Expend. With Pay Plan Est.	809,590	1,063,166	31.3
Ending Year FTE	18.00	18.00	0.0

^aIncludes a general fund supplemental of \$18,770 and a federal funds supplemental of \$6,714 for installation of new communications equipment.

This agency coordinates all emergency preparedness programs for the safety and survival of the population in times of disaster.

An additional \$9,046 of general fund and \$11,418 of federal funds is provided for increased personal services due to upgrading 14 of the agency's 18 full-time positions.

Increased travel expenses, averaging \$10,000 per year, are appropriated so that the state's four field specialists may visit all counties in their districts on a more frequent basis.

In fiscal 1981, the agency received a supplemental appropriation to install a Horizon communication system, a LETS terminal, and a weather teletype, as well as purchase a high-band radio. These improvements should significantly enhance the state's capability to respond to emergency situations. On-going communication costs for these improvements add \$15,812 in fiscal 1982 and \$16,434 in fiscal 1983. Approximately 62 percent of this expense is paid with federal funds.

A leased vehicle is approved for agency use.

Audit fees are line itemed with those for the adjutant general.

DEPARTMENT OF HIGHWAYS

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request Appropriation	\$ -0- 12,000,000 ^a	\$ -0- 12,000,000	\$ -0- 24,000,000
Approp. over(under) Exec.	\$ 12,000,000 =====	\$ 12,000,000 =====	\$ 24,000,000 =====
Percent over(under) Exec.	100	100	100
<u>Total Expenditures</u>			
FTE	2,153.60	2,153.60	
Executive Request Appropriation	\$206,508,769 215,134,272	\$206,184,453 219,556,940	\$412,693,222 434,691,212
Approp. over(under) Exec.	\$ 8,625,503 =====	\$ 13,372,487 =====	\$ 21,997,990 =====
Percent over(under) Exec.	4.2	6.5	5.3
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$ -0-	\$ 24,000,000	100.0
Total Expenditures	419,418,168	434,691,212	3.6
Expend. With Pay Plan Est.	419,418,168	447,957,379	6.8
Ending Year FTE	2,298.18	2,153.60	(6.3)

^aGeneral funding is appropriated through HB 868.

Funding Changes

The above table illustrates funding for the 1983 biennium as appropriated within HB 500, the general appropriations act, and HB 868. A comparison of the 1981 and the 1983 bienniums shows a slight increase in funding. This simplified observation is misleading as several organizational changes have occurred which alter the financial scheme and make it difficult to compare the two bienniums. These financial changes, which need to be considered

when discussing the 1983 biennium appropriation, are:

1. The accelerated interstate project, present in the 1981 biennium is not continued into the 1983 biennium. The 1981 biennium appropriation totaled \$107 million and included 235 FTE.
2. The rail planning unit is transferred to the department of commerce. Funding for this program exceeded \$4 million in the 1981 biennium.
3. The travel promotion program, funded at \$600,000 per year was transferred to the department of commerce.
4. Two new programs were added to the department. Though both are funded from revolving accounts, spending authority totals \$32,680,791 for the 1983 biennium.
5. House bill 868 adds \$24 million of general fund to the highway department. This is the first time a permanent transfer of general fund into the highway account has occurred.

When all these factors are taken into consideration, the actual increase in permanent funding exceeds 20 percent.

House bill 868 augments the highway department's budget appropriation by \$24,000,000. Of this amount, \$4 million is earmarked for the reconstruction account. The remaining \$20,000,000 is to be deposited directly to the highway earmarked account. Expenditure of these funds is not specified in the bill.

Following, is a brief discussion of individual programs within the highway department. Because it is not known within which programs the \$24.0 million appropriated through HB 868 will be spent, the narratives will refer specifically to the appropriations in HB 500.

General Operations

Aside from internal transfers of FTE in and out of the general operations division, an expanded level of FTE occurs. Funding allows for 17 additional GVW officers and related costs plus 11 FTE for a microwave bureau. The microwave bureau was transferred from the department of administration via budget amendment during the 1981 biennium. Continuation of the conservation and education program (one FTE) which was added through budget amendment in 1980 as well is continued. Included in this budget is \$45,000 per year for aero commander travel (highway department's private plane). One use of the aero commander is to supply transportation for the highway commission to and from meetings. The legislature was concerned about unnecessary use of the aero commander by the commissioners and requested that usage be reduced.

Construction

The anticipated construction level, as funded in HB 500, decreases by 20 percent from last biennium as accelerated interstate funds, available in the 1981 biennium, will not be available in fiscal 1982 and fiscal 1983. Contractor payments of \$101 million in fiscal 1982 and \$101 million in fiscal 1983 are present. Coal tax improvement funds of \$8 million in fiscal 1982 and \$2 million in fiscal 1983 are included. Statutorily (HB 422) these funds must be obligated to projects within coal impacted areas by the end of the 1983 biennium.

Maintenance

The maintenance division's increase is 23 percent over the 1981 biennium. Significant increases in cost of road oil products in fiscal 1980 are continued into the 1983 biennium. Staff increases by four truck drivers and

one administrative officer. The legislature appropriated \$90,000 per year to develop a maintenance management system.

The division is directed to establish a separate account for the expense of repairing damaged structures and related insurance collections. Revolving fund authority of \$1,000,000 per year is included within the appropriation for this purpose.

Preconstruction

Preconstruction activity drops eight percent in relation to accelerated interstate activities present in the 1981 biennium. Included is \$3.4 million per year for right-of-way purchases. The legislature was concerned that failure to have a surplus of completed construction plans has slowed actual highway construction. A surplus of construction plans in the preconstruction division was encouraged.

Service Revolving

A new program, service revolving, reflects the transfer of five bureaus from the general operations division and construction division. These service bureaus: printing, photo, data processing, air pool and materials lab will supposedly better meet needs of the department if operated on an enterprise-like basis. Concern was raised that charges for these services be competitive with other state agencies and private vendors.

Motor Pool

The motor pool is funded 100 percent from user charges. This appropriation reflects a current level expenditure base. A requested 4¢ rate increase to obtain the difference between depreciated and replacement value of equipment was allowed.

Equipment

The equipment division received a 53 percent increase over the 1981 biennium. This increase is reflected in two areas. First, major price hikes in gasoline and repair parts have significantly increased operational costs and consequently affect the rental rates that are charged to other divisions, mainly the maintenance division. Second, a significant equipment fleet upgrade is funded at \$3,977,000 per year. This compares to \$1.4 million per year in the 1981 biennium. Though a revolving fund agency, historically, approximately \$1 million per year in highway earmarked funds has been appropriated to aid in the purchase of equipment. This figure was increased to \$2.6 million in 1982 and \$2.5 million in 1983. These amounts should be offset dollar for dollar by revenue collected from auction of equipment which will be deposited to the revolving fund as required in SB 169.

The legislature urges the department to consider merging this division with the maintenance division for improved efficiency.

Stores Inventory

At the suggestion of the legislative auditor and state accounting, a revolving fund will be established for inventory. A separate program, stores inventory, is established for this purpose. Revolving fund authority of \$13.3 million and \$14.5 million reflects anticipated needs.

Travel Promotion

The travel promotion bureau was transferred from the highway department to the new department of commerce.

Legislative Concerns

The legislature was concerned with several aspects of the department:

- inadequate justification behind budget submission,
- funding practices,
- construction levels,
- maintenance capabilities, and
- apparent inefficiencies in operational practices.

Language is included in the appropriation bill which speaks to these concerns by requiring certain expectations to be met in the coming 1983 biennium.

Briefly, directives given to the department were:

1. develop and institute a comprehensive construction project planning system which is to be operational no later than July 1, 1985;
2. utilize the partial funding method for construction projects;
3. institute a cash forecasting system to minimize cash reserves;
4. maintain a surplus of completed construction plans;
5. submit to the 1983 legislature specific budgetary information for anticipated construction activity in the 1985 biennium;
6. institute a maintenance management system for the maintenance division which is to be operational no later than July 1, 1985;
7. conduct an assessment of equipment needs; and
8. submit to the 1983 legislature specific budgetary information which reflects anticipated maintenance activities of the maintenance division for the 1985 biennium.

To assure that the above directives are being followed, the department is to report quarterly to the legislative finance committee.

DEPARTMENT OF AGRICULTURE

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 895,974	\$ 863,094	\$1,759,068
Appropriation	<u>906,454</u>	<u>852,829</u>	<u>1,759,283</u>
Approp. over(under) Exec.	\$ 10,480 =====	\$ (10,265) =====	\$ 215 =====
Percent over(under) Exec.	1.2	(1.2)	
<u>Total Expenditures</u>			
FTE	97.58	97.58	
Executive Request	\$4,074,202	\$4,093,768	\$8,167,970
Appropriation	<u>4,219,132</u>	<u>4,221,086</u>	<u>8,440,218</u>
Approp. over(under) Exec.	\$ 144,930 =====	\$ 127,318 =====	\$ 272,248 =====
Percent over(under) Exec.	3.6	3.1	3.3
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$1,563,317	\$1,759,283	12.5
Total Expenditures	6,295,698	8,440,218	34.1
Expend. with Pay Plan Est.	6,295,698	9,001,766	43.0
Ending Year FTE	90.83	97.58	7.4

The fiscal summary above shows that general funds for the department of agriculture increase by 12.5 percent and total funds increase by 43.0 percent when the 1981 and 1983 bienniums are compared. However, the 1983 biennium authorized spending authority includes \$1.6 million for the hail insurance unit's agency account maintained for insurance payments. This agency account appropriation was not included in the 1981 biennium spending authority. Adjusting for the additional \$1.6 million spending authority, total spending increases 8.6 percent when compared to the previous biennium.

The general fund increases slightly faster than other funds because of the anticipated loss of old west regional commission funds. The department's staff increases by 6.75 FTE primarily due to the transfer of the rodent control program to the environmental management program and additions to the plant industry program.

Reorganization

The rural development program was separated from the central services division and was established as a separate unit. There was a transfer of 1.25 FTE staff from the central services division into this unit. The services to be performed by the rural development program will not change. This segregation was requested by the department and was primarily for accounting purposes.

Centralized Services

Centralized services provides administrative and financial support services to the department's field programs. Several FTE changes were made in this division although the overall change in FTE was a decrease of .25 FTE, as is detailed below:

1. 1.25 FTE were transferred to the rural development unit;
2. 1.0 FTE marketing specialist was transferred to the transportation unit;
3. 1.0 FTE assistant administrator position was added to assist the director in public engagements and represent the department at other meetings and conferences.
4. A .75 FTE attorney was transferred from both the transportation unit (.5 FTE) and the environmental unit (.25 FTE).
5. A .25 FTE secretary was added.

The division funding was adjusted so that each source of funding in the department pays its proportional share of centralized services costs. The allocation of costs was based upon total expenditures of each division or unit and the respective funding sources.

However, general fund support of the centralized services division has been increased to offset a possible decline in federal and private revenues, primarily the old west regional commission funds. In past years, administrative support charges have been assessed against old west regional commission grants and general fund appropriations have been reduced by a like amount. The general fund has been increased \$48,458 over the 1983 biennium to replace old west funds. It is legislative intent that if the old west funds continue, administrative charges be levied against this fund source, and the collection be deposited in the general fund.

Hail Insurance Program

The hail insurance program provides crop insurance for participating grain producers in the state. This program is financed entirely by earmarked revenues generated through the administration of the insurance fund. The hail insurance program earmarked revenue is not assessed for support of central services since a share of insurance premiums is dedicated to the general fund in lieu of administrative overhead charges.

Unlike the 1981 biennium, spending authority totalling \$1.6 million over the biennium was included for the agency account which is maintained for insurance payments.

Other than increases for inflation, the program is maintained at current level.

Transportation Unit

There were two changes in staff for the transportation unit. A half-time attorney was transferred from this unit to the central services division, and a full-time marketing specialist was transferred from central services to this division. There was a net increase of .5 FTE for a total of 3.0 FTE.

Wheat research and marketing earmarked funds are to provide approximately 50 percent of the support of the rail transportation effort within the transportation unit because approximately 50 percent of the rail related work load directly benefits the grain producing industry. Fifty thousand dollars of wheat research and marketing funds are appropriated each year for support of the transportation unit.

In HB 854 the legislature appropriated \$102,313 general fund in fiscal 1982 and \$222,313 general fund in fiscal 1983 to the department of commerce to plan for and coordinate needs and services for all modes of transportation and to provide rate analysis and litigation. When HB 854 was heard in senate finance and claims committee (see minutes of April 11, 1981) it was stated the intent of this bill would be to combine the transportation unit with the rail planning unit in the department of commerce. The new unit would be housed in the department of commerce. This would place all transportation planning and transportation rate analysis in a single unit within state government.

Wheat Research and Marketing

The wheat research and marketing program is responsible for promoting Montana grain sales and funding research of grain strains, diseases, and uses. This program was maintained at current level operations with allowances for inflation. Included within the authorized budget is \$356,000 in

fiscal 1982 and \$375,000 in fiscal 1983 for grants to new production methods and wheat strains, and market promotion.

Environmental Management Program

The environmental management program will operate the rodent control program as it has in the past. However, the department of livestock will contract with this division for rodent control services to eliminate a duplication of services.

The staff of this program was increased from 29.60 to 32.85. Two full-time positions were transferred from the department of livestock's rodent control program. A full-time chemist for the feed and fertilized laboratory in Bozeman was added that had been under contract. A half-time FTE (two quarter-time positions) is added to staff the integrated pest management program in the summer. A quarter-time attorney was transferred to the central services division.

Plant Industry Program

The plant industry program is responsible for administration and enforcement of laws controlling marketing, production, manufacturing, and transportation of agricultural products.

Two additional FTE were added in the grain laboratory to process the increasing number of grain samples submitted for grain quality and protein evaluation. The salaries for these FTE are financed entirely by earmarked sampling fees.

DEPARTMENT OF COMMERCE

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 2,153,758	\$ 2,358,608	\$ 4,512,366
Appropriation	<u>2,404,573</u>	<u>2,553,517</u>	<u>4,958,090</u>
Approp. over(under) Exec.	\$ 250,815 =====	\$ 194,909 =====	\$ 445,724 =====
Percent over(under) Exec.	11.6	8.3	9.9
<u>Total Expenditures</u>			
FTE	160.76	160.76	
Executive Request	\$19,452,188	\$21,939,298	\$41,391,486
Appropriation	<u>25,580,789</u>	<u>25,691,360</u>	<u>51,272,149</u>
Approp. over(under) Exec.	\$ 6,128,601 =====	\$ 3,752,062 =====	\$ 9,880,663 =====
Percent over(under) Exec.	31.5	17.1	23.9
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$ 2,864,432	\$ 4,958,090	73.1
Total Expenditures	34,729,753	51,272,149	47.6
Expend. with Pay Plan Est.	34,729,753	52,322,059	50.7
Ending Year FTE	164.16	160.76	(2.1)

The table above shows that anticipated expenditures for the 1983 biennium increase significantly in both general and other funds from the 1981 biennium. Reasons for these increases include:

1. General Fund: \$2,093,658

A. \$1,300,000: The travel promotion bureau, previously funded with highway earmarked funds, is now appropriated general fund of \$600,000 and \$700,000 respectively for the 1983 biennium.

B. \$99,175: The transportation planning bureau previously used highway earmarked funds for matching federal funds. General fund will be used in the 1983 biennium.

C. The remaining amounts reflect inflationary increases. Some bureaus received general fund increases over the biennium in excess of 25 percent. These bureaus are: Indian Affairs (35 percent) and Business Assistance bureau (32 percent).

2. Other funds: \$14,448,738

A. \$7,500,000: Local assistance grants from the coal board increase significantly.

B. \$5,500,000: Federal funds for transportation planning increase in the 1983 biennium.

C. The remaining amounts reflect inflationary increases.

The department of commerce is created by SB 432 of the 1981 legislature. The new department results from consolidation of the former department of business regulation, professional and occupational licensing, most of the department of community affairs (DCA), the travel promotion and rail planning units of the highway department, the office of commerce from the governor's office, and the board of housing from the department of administration. The research, community services, local government services, and highway traffic safety divisions of DCA were transferred to other state departments.

The intent of consolidation is primarily to redefine the role of state government as it is related to business and economic development in Montana. The department is intended to be the business and development advocate within state government.

The only cost savings attributed directly to the reorganization will be obtained by consolidation of centralized services and director's office functions of the three departments. The following table shows FTE changes resulting from the new department's creation and approved budgets.

FTE BEFORE AND AFTER CONSOLIDATION

<u>Function</u>	-----Former Division----- <u>Department</u>	<u>FTE</u>	Dept. of Commerce <u>FTE</u>	<u>Difference</u>
<u>Administration</u>			15.00	
	Administration (DCA)	16.50		
	Central Services (Bus. Reg.)	7.00		
Total		23.50	15.00	(8.5)
<u>Aeronautics</u>				
	Aeronautics (DCA)	12.34	13.34	1.0
<u>Economic Development</u>				
	Administration		2.00	
	Bus. Assistance (Gov. Office)	6.00	5.00	
	Board of Housing (Admin.)	6.00	9.00	
	Travel Promotion (Highways)	7.50	7.50	
	Coal Board (DCA)	4.00	3.00	
	Rail Planning (Highways)	3.00	3.00	
Total		26.50	29.50	3.0
<u>Community Development</u>				
	Community Development (DCA)	18.00	21.00	
	Indian Affairs (DCA)	4.00	3.00	
Total		22.00	24.00	2.0
<u>Business Regulation and Licensing</u>				
	Administration		5.00	
	Weights & Measures (Bus. Reg.)	12.00	12.00	
	Financial (Bus. Reg.)	19.00	19.00	
	Milk Control (Bus. Reg.)	9.00	8.00	
	Consumer Protection (Bus. Reg.)	6.50	3.00	
	Prof. Licensing Board (P.O.L.)	33.32	31.92	
Total		79.82	78.92	(.90)
GRAND TOTAL		164.16	160.76	(3.40)
		=====	=====	=====

A net decrease of 3.4 FTE results from the consolidation and legislative action. The legislature approved 11.6 new positions while eliminating 15

others. An analysis of these changes is provided by division.

Director's Office - Centralized Services

The director's office and centralized services are a consolidation of the same functions in the previous departments of business regulation and community affairs. The department of commerce will have 15.0 employees while the corresponding units in business regulations and DCA have 23.5 FTE. These two offices will be financed from a revolving account. Income will be generated by assessing charges to general, earmarked, and federal funds supporting the other divisions. Language is included in the appropriation bill authorizing a loan from one of the accounts under the department's supervision to establish the revolving account.

The department may be reorganized during the 1983 beinnium. Any reorganization plan must be approved by the office of budget and program planning and reviewed by the legislative finance committee.

Expenses for moving telephones, copiers, and equipment to and from the current DCA building are projected to be \$39,900. This amount is included as a line item appropriation in fiscal 1982. The estimated cost of the legislative audit (\$50,000) is also line itemed in fiscal 1983.

Aeronautics Division

One additional FTE is authorized in the division to replace a current personal services' contract. Responsibilities of this position include inspecting state-owned and supervised airports, beacons, and other equipment. This division operates the state-owned West Yellowstone airport from a revolving account whose income is generated from landing fees. It will cost \$138,933

to operate the airport over the 1983 biennium. The remainder of the division is operated from an earmarked revenue account whose revenue is generated by a 1¢ per gallon tax on aircraft fuel.

Economic Development Division

The intent of this division is to be the business advocate arm in state government and to change Montana's image from anti-business to pro-business with an emphasis on responsible development. This division is the key to improving the image and acceptance of the state in the economic development area. Two new positions, a division administrator and a secretary, are authorized to direct and supervise economic development efforts for the state of Montana.

The business assistance bureau is the former office of commerce that was attached to the governor's office. Whereas six FTE were approved in the former office of commerce, only 5 FTE will be authorized in this bureau of the new department. The sixth position will remain in the governor's office to administer old west regional commission grants.

The main emphasis of the bureau will be:

1. To direct business assistance by providing information and technical assistance to Montana businesses upon request and where appropriate;
2. To improve marketing Montana products out of state;
3. To coordinate with the department of labor in the area of training and recruitment for Montana businesses; and
4. To provide information dissemination services, including development of a "one stop" business license referral office.

House bill 832 also authorizes \$5,000 per year to be spent presumably by this division for planning and conducting small business seminars and conferences.

The business assistance bureau will administer economic development (EDA) grants totalling \$294,000 in fiscal 1982. Montana's allocation of \$235,000 for federal EDA funds will be available in fiscal 1982 only. This allocation is matched with \$59,000 of general funds. These grants are intended to encourage development in economically distressed areas. Grants are currently anticipated for Polson, Kalispell, Missoula, and Butte.

The board of housing is transferred from the department of administration. This program received authorization to increase its staff from six to nine FTE. Two of the new staff are accounting clerks authorized to carry the additional workload related to the passage of senate bills 90 and 91, which allowed flexible interest rates on bonds and increased the bond ceilings from \$375 to \$675 million. Both bills will have the impact of making more housing money available, therefore, increasing the workload of the housing board.

The other position, a comptroller, is a continuation of a budget-amended position as recommended in the 1980 financial audit.

The travel promotion bureau receives general fund for the first time to support state travel promotion efforts. Previously, travel promotion was administered within the highway department and funded from gas tax proceeds. The travel industry is to provide \$300,000 to match \$1.3 million of general over the biennium. The legislature authorized 7.5 current level FTE and rejected requests for two additional positions.

The coal board is authorized three FTE: an executive secretary, a staff secretary, and a field inspector. The board was authorized one FTE for field inspection in the 1981 biennium but never utilized that position. Therefore, the position was deleted. Of the appropriation, \$9,162,509 and

\$11,153,010 will be available for impact grants in fiscal 1982 and 1983 respectively.

Language is included which states that grants may be awarded only to remedy situations resulting from coal development. Furthermore, each recipient must demonstrate a bona fide effort to provide for its own needs through normal financing channels.

The rail planning unit will be transferred from the highway department and given general fund support for the first time. Previously, earmarked highway funds were used. Federal railway administration (FRA) planning funds \$(381,125) and general funds \$(99,175) will be used to support staff and operating expenses over the biennium. An additional \$5,569,429 in fiscal 1982 and \$3,392,357 in fiscal 1983 of FRA funds will pass through this unit to the Burlington Northern railroad to rehabilitate sections of the former Milwaukee railroad.

House bill 854 appropriates \$102,313 of general fund money in fiscal 1982 and \$222,313 in fiscal 1983 for planning and coordinating transportation needs and services as well as pursuing related rate analysis and litigation. The rail planning unit, the transportation unit of the department of agriculture, and the funds provided by house bill 854 might be combined in the department of commerce to create a transportation division.

Community Development

Three FTE are added to the community development program: two transportation specialists to expand the nonurban community transportation function and one housing assistance specialist in rent assistance. The appropriation includes \$6,329,710 over the biennium for community planning and impact assistance, urban transportation grants, and rent subsidies.

The Indian affairs coordinator office is appropriated at the current level. A position previously authorized by budget amendment is not recommended to continue. Federal funds supported this office during the 1981 biennium. However, the appropriation for the 1983 biennium is entirely general funded.

The office functions primarily as a liaison between state, federal, and Indian governments.

Business Regulation and Licensing Division

The business regulation and licensing administration bureau is essentially the central service staff of the old professional and occupation licensing department. The former professional licensing department director, attorney, central services administrator, and a secretary make up the administrative staff for the division plus an attorney from the old department of business regulation.

The administration function will include providing direction and additional support services for the former business regulation division and 30 licensing boards. Consolidation of administrative functions of the former professional licensing and business regulation department will save nearly \$75,000 per year.

House bill 578 requires streamlining of small business licensing procedures. General fund is increased by \$39,662 and \$34,962 to fund a licensing center to implement these directives.

The weights and measures bureau, previously a division, will continue at the current level. The appropriation is sufficient to pay for approved upgrades for eight of the twelve staff. Thirty-five thousand dollars is appropriated for the purchase of a new weight truck and trailer. The

difference between the appropriation and actual cost must be reverted if the truck costs less.

The financial bureau is funded at current level with sufficient travel funds to allow all bank examiners to be in the field to conduct all required bank examinations.

The milk control bureau's current level staff is reduced by two positions: an assistant administrator and a butterfat sampler. An additional auditor is added to improve examination of milk processor records to insure proper payment to milk producers.

The milk control bureau will no longer collect samples of milk from producing dairies. Currently, both the department of livestock's milk and egg bureau and the milk control division have field staff collecting milk samples. Instead, the department of livestock will increase the number of samples it now collects from eight to twelve per year per producer, process the samples, and report butterfat content to the milk control bureau. Reduction of this duplication will result in an annual cost savings of at least \$9,500 even though the number of samples taken will increase. The milk control bureau will purchase equipment to more efficiently evaluate the samples.

The consumer protection bureau's staff is reduced from 6.5 to 3.0 FTE. The legislature recommends that the bureau focus its effort and attention on major consumer problems rather than minor complaints. It is anticipated that the new staff will include an attorney who will function as the administrator or as an investigator.

All of the 30 professional licensing boards receive at least current level funding. Total FTE for the 30 boards decreased by 1.4 FTE. Though FTE actually decreased, a shifting of FTE increased staff for some boards. Both

the boards of public accountants and realty regulation are authorized additional staff. The board of accountants is authorized one additional FTE to coordinate and direct the continued professional education program. The realty regulation board is authorized an additional 1.6 FTE for a full-time auditor and a part-time clerk typist.

FISH, WILDLIFE AND PARKS

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 595,992	\$ 655,591	\$ 1,251,583
Appropriation	<u>587,349</u>	<u>627,177</u>	<u>1,214,526</u>
Approp. over(under) Exec.	<u>\$ (8,643)</u>	<u>\$ (28,414)</u>	<u>\$ (37,057)</u>
Percent over(under) Exec.	(1.5)	(4.3)	(3.0)
<u>Total Expenditures</u>			
FTE	443.92	444.85	
Executive Request	\$18,209,983	\$19,211,669	\$37,421,652
Appropriation	<u>15,925,882</u>	<u>16,138,287</u>	<u>32,064,169</u>
Approp. over(under) Exec.	<u>\$(2,284,101)</u>	<u>\$(3,073,382)</u>	<u>\$(5,357,483)</u>
Percent over(under) Exec.	(12.5)	(16.0)	(14.3)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$ 1,057,296	\$ 1,214,526	14.9
Total Expenditures	31,503,303	32,064,169	1.8
Expend. With Pay Plan Est.	31,503,303	34,785,293	10.4
Ending Year FTE	495.11	444.85	(10.2)

Fish, wildlife and parks expenditures were reduced as the expenditure level could not be sustained with the 1981 biennium license fee structure. Total expenditures increase 10.4 percent from the 1981 to the 1983 biennium.

The following schedule shows the expected balances for fiscal 1982 and 1983 in the license fee earmarked account determined by HB 200.

	<u>1982</u>	<u>1983</u>
Beginning Balance	\$ 1,100,000	\$ 1,278,942
Revenue	<u>9,304,527</u>	<u>10,689,177</u>
Total Revenue	\$10,404,527	\$11,968,119
Expenditures	8,484,872	8,502,006
Capital Projects	-0-	925,175
Pay Plan	<u>640,713</u>	<u>1,267,922</u>
Total Expenditures	\$ 9,125,585	\$10,695,103
Ending Balance	\$ 1,278,942 =====	\$ 1,273,016 =====

The department requires a positive fund balance of at least \$800,000 to maintain a stable cash flow during all months. This is due to the seasonal nature of the revenue collections.

Personnel

The appropriation will reduce 50.26 FTE from the 1981 biennium authorized level.

The FTE reduction is listed below:

Centralized Services	9.00 FTE
Ecological Services	17.68 FTE
Fisheries	.20 FTE
Law Enforcement	3.99 FTE
Wildlife	5.33 FTE
Conservation Education	8.12 FTE
Administration	<u>5.94 FTE</u>
	50.26 FTE

The large reduction in ecological services reflects positions conducting various research projects supported by federal and private funds. Previous to the 1981 biennium these positions were authorized by budget amendment. The division will be allowed to add additional positions by budget amendment in the 1983 biennium as federal and private funds become available.

Centralized Services

Centralized services is authorized \$2,259,250 of expenditure authority over the biennium to operate the vehicle and warehouse revolving accounts. These funds duplicate expenditures in the other division's budgets and overstate actual expenditures by the above amount. An additional \$500,000 per year of federal and private funds are included in the appropriation to provide a pool of expenditure authority to be used to finance one-time studies and projects which formerly required budget amendments.

Staff reductions include one secretary, six positions in the accounting bureau, one position in the licensing bureau and one support position in the warehouse.

The appropriation authorizes sufficient data processing funds to phase out the special license preference system as the fish and game commission was directed.

Audit costs of \$45,000 have been line itemed in HB 500.

Other funds of \$54,210 for a Cessna 180 airplane have been authorized in fiscal 1982. The plane was bought back from the discontinued state aeronautics pool.

Ecological Services

The appropriation will continue all regular employees including four members of the core environmental impact statement team. Funding to support the core team includes \$30,000 of earmarked funds each year to insure that the positions will be retained when not doing studies financed by outside sources.

Fisheries Division

The fisheries division is continued at current level with the exception

of two FTE to be reduced in the 1983 biennium. Both positions are fish hatchery laborer positions that will be reduced through retirements. The workload at the state hatcheries has been shifted due to initiation of a new, more efficient hatchery at Lake Kooconusa. Operating expenses are funded consistent with the executive recommendation. Transfers from other divisions add 1.8 FTE in the fisheries division.

Law Enforcement Division

The law enforcement division will be able to fill five currently vacant warden positions with the proposed appropriation. Nearly four FTE will be reduced which represent part-time game herder and enforcement trainee positions.

An additional \$115,796 in fiscal 1982 and \$112,502 in fiscal 1983 is added to the current level operating expenses to provide sufficient fuel to enable wardens to be in the field at all times. The legislature recommends that the two pilots based in Helena be given enforcement duties when not actively preparing for flight or flying.

Game damage funds of \$65,000 per year are included to reduce the impact on landowners of wildlife foraging for food in severe winter conditions. No personnel services of currently authorized employees will be charged to these funds.

Wildlife Division

The legislature eliminated 5.83 part-time and temporary FTE and added a .5 FTE researcher position previously accounted for in the enforcement division. The deleted positions are primarily summertime temporary positions that aid biologists in collecting research data. The game bird farm at Warm Springs is planned to be phased down during the 1983 biennium. The

regular employees emphasis will be on live trapping and transplanting.

Recreation and Parks Division

The parks and recreation division appropriation will operate the division at the current level. This is the only program in the department in which operations are supported partly with general fund.

House bill 806 allows up to 25 percent of fishing access site earmarked revenues to be used for the maintenance and operation of fishing access sites. This is an increase of ten percent over last biennium. Many of these sites have been neglected because operating funds were not available.

Conservation Education Division

The appropriation reduces 8.12 FTE from the currently authorized level.

The positions to be dropped include a writer, audio-visual technician and film production supervisor, three secretaries and 2.12 part-time positions.

The effect of these reductions will be a reduction of wildlife related presentations at summer camps and a curtailment of the production of documentary films.

The appropriation provides for an information officer in each of the seven regional offices, publication of Montana Outdoors and operation of the department's print shop.

Administration Division

Nine FTE are authorized in the administration division. The positions are those of the director, deputy director, associate director, three secretaries, two attorneys and a land agent. Positions of special projects coordinator,

planning coordinator, a secretary and .44 FTE part-time positions are not recommended.

Line item appropriations include \$80,000 per year appropriated for transfer to the department of livestock for predator and rodent control, \$24,000 per year for distinctive clothing and uniforms for all field employees and \$25,000 per year to initiate the conservation officer concept within the department.

Fuel Purchase

Each program is provided with funds to purchase the same number of gallons of fuel that were purchased in fiscal 1980. The anticipated prices per gallon of fuel are \$1.65 per gallon in fiscal 1982 and \$1.85 in fiscal 1983.

Bills Affecting Fish, Wildlife and Parks

The legislature approved HB 200 which increases the fees for hunting, fishing and related licenses and permits. The funds are used for the management of the states wildlife resources. The bill also removes the seven-year kill limitation on certain game animals and the priority status for unsuccessful special elk and antelope license applicants.

House bill 709 includes a grant of \$50,000 to the department for the 1983 beinnium. These funds are to be used to replace, renovate and upgrade the lighting system in Lewis and Clark caverns state park. The source of those funds is from the renewable resource development clearance fund account.

House bill 847 appropriates to the department \$4,745 from the renewable resource BPICA account. It is to repair the boat ramp at Hell creek state recreation area. The funds are appropriated for the 1981 biennium ending June 30, 1981.

DEPARTMENT OF STATE LANDS

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 1,484,204	\$ 1,463,833	\$ 2,948,037
Appropriation	<u>913,169</u>	<u>892,917</u>	<u>1,806,086</u>
Approp. over(under) Exec.	\$ (571,035) =====	\$ (570,916) =====	\$(1,141,951) =====
Percent over(under) Exec.	(38.5)	(39.0)	(38.7)
<u>Total Expenditures</u>			
FTE	74.62	73.62	
Executive Request	\$ 9,380,435	\$ 9,732,148	\$19,112,583
Appropriation	<u>9,167,565</u>	<u>9,550,109</u>	<u>18,717,674</u>
Approp. over(under) Exec.	\$ (212,870) =====	\$ (182,039) =====	\$ (394,909) =====
Percent over(under) Exec.	(2.3)	(1.9)	(2.1)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$ 2,465,986	\$ 1,806,086	(26.8)
Total Expenditures	10,806,052	18,717,674	73.2
Expend. With Pay Plan Est.	10,806,052	19,153,889	77.3
Ending Year FTE	62.62	73.62	17.6

The department of state lands is responsible for administering lands granted to the state of Montana for the support and benefit of the various state educational institutions and to administer Montana reclamation laws.

The 77.3 percent increase in the 1983 biennium funding over the 1981 biennium is related to federal strip mining reclamation funds being available for reclamation of abandoned mine spoils. More than \$6 million will be available each year of the biennium to reclaim abandoned strip mines. These funds were available in the 1981 biennium but were not spent in fiscal 1980

because the project identification developed slower than expected.

Legislative Appropriation

The general fund appropriation to the department of state lands is \$1.14 million below the executive request. The executive had requested general fund to support the land administration and reclamation programs, instead, the legislature appropriated \$1.07 million of resource indemnity trust fund interest.

Below is a breakdown, by division, of the authorized funding for the department of state lands in the 1983 biennium.

	-----Fiscal 1982-----		-----Fiscal 1983-----	
	<u>General Fund</u>	<u>Other</u>	<u>General Fund</u>	<u>Other</u>
Central Management	\$737,169	\$ 250,464	\$717,917	\$ 246,317
Reclamation		7,368,739		7,894,841
Land Administration	176,000	60,259	175,000	47,991
Resources	<u> </u>	<u>574,934</u>	<u> </u>	<u>468,043</u>
Total	\$913,169	\$8,254,396	\$892,917	\$8,657,192

Staffing

In fiscal 1981 the department was authorized 62.62 FTE which is increased by 12 FTE in fiscal 1982 and 11 FTE in fiscal 1983. Below is a breakdown by division of the authorized FTE.

	<u>Appropriated Fiscal 1981</u>	<u>Authorized Fiscal 1982</u>	<u>Authorized Fiscal 1983</u>
Central Management	20.00	28.00	28.00
Reclamation Program	26.00	29.00	29.00
Land Administration	9.62	9.62	9.62
Resource Development	<u>7.00</u>	<u>8.00</u>	<u>7.00</u>
Total	62.62	74.62	73.62

Central management was increased by eight positions associated with the northern powder river environmental impact statement team (NPREIS). The legislature authorized \$496,781 of federal funds to fund the positions in the 1983 biennium. Language in HB 500 states, "The eight FTE approved for the team may continue only as long as federal funds are available to provide support."

The reclamation program was increased by three FTE. Two reclamation inspectors that were previously on contract will prioritize and delineate abandoned mine spoils for future reclamation and one hardrock mine reclamation inspector will be responsible for insuring compliance with state reclamation and mine waste standards.

The land administration program was maintained at the fiscal 1981 level.

The resource development program was increased by one FTE in fiscal 1982 to review the filing of water rights, by a private consultant, on all state owned land. The department felt all claims could be filed in fiscal 1982 and did not request the position be continued in fiscal 1983.

Operating Expenses

The legislature authorized approximately \$44,000 in the 1983 biennium for equipping the mine spoils reclamation staff with vehicles and related equipment. Included in the equipment request is \$12,586 worth of computer software to inventory all of the natural resources in Montana. Contract services for the resource development program is increased \$95,200 above the fiscal 1981 level to pay the final payment of \$260,000 for a consultant to process state water right applications. The legislature also included \$220,000 per year for improvements to state leased lands.

In Lieu of Tax Payments to Counties

State payments in lieu of taxes to counties in which the state owns more than six percent of the land was increased from \$215,000 per year in the 1981 biennium to \$235,000 per year in the 1983 biennium. The appropriated amount should fully fund the state tax liability.

Senate Bill 258

Senate bill 258 transferred the forestry functions of the department of natural resources and conservation to the department of state lands. These functions include:

1. protecting natural resources from fire (Title 76, chapter 11, part 1, MCA);
2. protection of forest resources (Title 76, chapter 13, MCA);
3. appraising, protecting, and selling state timberlands (Title 77, chapter 5, MCA);
4. recommending closing lands to hunting and fishing in fire danger areas (Title 87, chapter 3, section 106, MCA).
5. The functions of the board of natural resources and conservation relating to protection of forest resources are transferred to the board of land commissioners (Title 76, chapter 13, MCA).

Senate bill 258 also invoked the provisions of Title 2-15-31 through 2-15-137 of the Montana code annotated which provides for rights of state personnel affected by the reorganization of the executive branch, rights to property including appropriations, accounts within and without the state treasury, and other procedures for making the transfer of the forestry funding to state lands.

DEPARTMENT OF LIVESTOCK

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 614,082	\$ 627,095	\$1,241,177
Appropriation	<u>618,049</u>	<u>634,615</u>	<u>1,252,664</u>
Approp. over(under) Exec.	\$ 3,967 =====	\$ 7,520 =====	\$ 11,487 =====
Percent over(under) Exec.	0.7	1.2	0.9
<u>Total Expenditures</u>			
FTE	130.12	128.12	
Executive Request	\$3,722,508	\$3,821,827	\$7,544,335
Appropriation	<u>3,673,536</u>	<u>3,749,143</u>	<u>7,422,679</u>
Approp. over(under) Exec.	\$ (48,972) =====	\$ (72,684) =====	\$ (121,656) =====
Percent over(under) Exec.	(1.3)	(1.9)	(1.6)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$1,013,000 ¹	\$1,252,664	23.7
Total Expenditures	6,581,560	7,422,679	12.8
Expend. With Pay Plan Est.	6,581,560	8,219,746	24.9
Ending Year FTE	135.12	128.12	(5.2)

¹Includes a general fund supplemental of \$28,238.

The department of livestock's approved budget reflects an increase of 24.9 percent for total expenditures between the 1981 and 1983 biennium. This increase in general fund is primarily attributable to anticipated gasoline costs and normal inflation factors. The FTE level declines 5.2 percent, from 135.12 to 128.12 FTE between fiscal 1981 and fiscal 1983 due to the completion of brand re-recording and the transfer of predator and rabies control to the department of agriculture.

At the request of the livestock department's administration and the board of livestock, several significant changes were made in the department's budget. These changes are primarily related to the brucellosis effort of the department as well as the predator and rabies control program.

Disease Control

The disease control program is reduced by 6.0 FTE and an office clerk position is added. The 6.0 FTE reduction results from the containment of brucellosis in Montana cattle herds which was requested by the department. These six positions include three backtaggers added by budget amendment and three current level veterinary technicians. An additional clerk was added to process import/export certificates that are necessary for livestock to be transported across state lines.

The department has been successful in convincing federal animal health officials that reduced dosages of brucellosis vaccine will effectively protect cattle and at the same time not produce positive test results on healthy cattle. Previously, the required higher vaccine dosage produced a positive reaction in cattle that actually were not infected with brucellosis. The result was a significant increase in the number of herds identified as infected even though the cattle were healthy. The smaller dosage reduces the number of positive reactions, thereby enabling the reduced staff to adequately monitor the disease.

The board of livestock is discontinuing the practice of contracting with local veterinarians to provide livestock market health inspections. Livestock markets or those persons involved in market sales will be responsible for paying for their own inspections in the future. Montana was the last state to provide this service.

Diagnostic Lab

Although the department has obtained permission from the federal government to lower the amount of brucellosis vaccine required, the federal government now requests additional laboratory tests on blood samples. These tests will require an additional 1.0 laboratory aide, who is federally funded. Exclusive of these federal funds for the laboratory aide, the diagnostic laboratory expenses are paid half from general fund and half from the animal health earmarked fund.

Milk and Egg Program

The milk and egg program is budgeted to remain at current level. However, the field inspectors will now pick up additional samples of milk and perform butterfat content tests. These tests are currently performed by the milk control division in the department of commerce. This consolidation will eliminate the need for two different inspectors to visit each milk producer. To conduct these additional tests, 2.0 FTE are transferred from the milk control division in the department of commerce.

Inspection and Control Division

The inspection and control division has two FTE deleted. These positions were added in fiscal 1981 to process brand re-record documents. This effort should be completed in fiscal 1982.

Predatory Animal and Rabies and Rodent Control Program

The predatory animal and rabies and rodent control program was reduced by 1.0 FTE bureau chief. The rodent control program is now carried out by the department of agriculture to eliminate duplicative services. Two FTE were transferred from the rodent control unit to the department of

agriculture. The department of livestock will contract with the department of agriculture for rodent control services. The rabies control program is now carried out by the disease control unit of the department of livestock.

Livestock Tax

An assessment is made against livestock to defray some of the expenses of the brands enforcement, animal health functions, and predator controls. In SB 47, livestock taxation was changed from class seven to class six. This reduced the tax-rate base from eight percent to four percent of its market value. This change would substantially lower revenues to the department of livestock, but a companion bill, SB 484 was also passed by the legislature which increases the maximum allowable mill levies the department of livestock may levy against livestock. The amount of mill levy increase depends upon the type of livestock and the specific assessment (animal health, brands enforcement, or predator control).

Supplemental Appropriation

The legislature approved supplemental funding for the 1981 biennium totalling \$28,278. This includes \$5,884 to the milk and egg program for polychlorinated biphenyl (PCB) related expenses, termination pay, and \$22,394 to the rabies control program for termination pay and a drastic increase in the number of rabies cases, especially west of the continental divide.

DEPARTMENT OF NATURAL RESOURCES

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 5,934,416	\$ 6,085,083	\$12,019,499
Appropriation	<u>6,398,331</u>	<u>6,340,248</u>	<u>12,738,579</u>
Approp. over(under) Exec.	\$ <u>463,915</u>	\$ <u>255,165</u>	\$ <u>719,080</u>
Percent over(under) Exec.	7.8	4.2	6.0
<u>Total Expenditures</u>			
FTE	444.08	440.73	
Executive Request	\$22,107,156	\$21,423,184	\$43,530,340
Appropriation	<u>22,029,476</u>	<u>21,915,946</u>	<u>43,945,422</u>
Approp. over(under) Exec.	\$ <u>(77,680)</u>	\$ <u>492,762</u>	\$ <u>415,082</u>
Percent over(under) Exec.	(.35)	2.3	1.0
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$12,575,401	\$12,738,579	1.3
Total Expenditures	35,385,215	43,945,422	24.2
Expend. with Pay Plan Est.	35,385,215	46,509,139	31.4
Ending Year FTE	404.48	440.73	9.0

The total expenditure increase from the 1981 biennium to the 1983 biennium is 31.4 percent inclusive of the pay plan. The general fund increase is 13.8 percent when pay increases are included. This smaller increase results from replacing general fund with state earmarked funds to continue many programs at current level.

Personnel

The legislature approved a net increase of 36.25 FTE for the department of natural resources. The new or reduced FTE are listed below by division.

Oil and Gas Regulation Division

- added one statistician/programmer to develop a system to automate oil and gas well logs.

Water Resources Division

- added 12 FTE to man expanded high plains weather modification project,
- eliminated two FTE dam safety inspector positions,
- eliminated 3.35 FTE working on the Daly ditch as it will be abandoned by January 1, 1983.

Forestry Division

- added three FTE to expand by five million board feet the annual timber harvest,
- added back one FTE previously transferred to the communications pool,
- added 1.5 FTE to supervise brush reduction on private lands,
- added 13.6 FTE to expand timber stand improvement program,
- added two FTE to operate the recently completed containerized seedling greenhouse.

Energy Division

- added 11 FTE to conduct various energy conservation related projects which are supported entirely with federal funds,
- added two FTE to monitor alternative energy development and demonstration grants.
- eliminated two FTE in the fuel allocation office,

Facility Siting Division

- eliminated 3.5 FTE.

Central Services Division

A major staff realignment is required by the appropriation. A net increase of 11.5 FTE results from properly assigning individuals to central services previously reported as FTE in other divisions. These positions have central services responsibilities. Other division FTE levels were reduced a like amount.

Oil and Gas Regulation Division

An additional position is added for the 1983 biennium to automate all oil and gas well log information. Resource indemnity trust fund interest is appropriated at \$65,000 each year to repair and seal abandoned oil and gas wells to prevent polluting of ground water caused by the collapse of well casings.

Conservation District Supervision

The conservation district supervision program is continued at current level. The legislature approved HB 223 earmarking one-half of one percent of the coal severance tax previously designated for alternative energy development grants for distribution to conservation districts. This eliminated the use of \$224,730 general fund in the biennium to support the conservation districts.

Water Resource and Planning Division

The legislature appropriated federal funds for 12 FTE to expand the high plains experimental weather modification project at Miles City.

Two dam safety inspector positions previously supported by federal funds are eliminated as federal support has ceased. In fiscal 1983, 3.35 FTE will be eliminated from the Daly ditch irrigation project. Chapter 534, laws of 1979 require that the daly ditch irrigation project be sold or abandoned

by January 1, 1983. An additional \$29,000 is included in the fiscal 1982 appropriation to facilitate the transfer of the ditch to a local water user association. In fiscal 1983 \$186,000 is appropriated for transfer to the soon to be created water users association for operation of the Daly ditch until taxes can be levied for its operation. If no association is formed the funds will be used to dismantle the system.

Water right application fee income of \$1.1 million and \$1.2 million are appropriated in fiscal 1982 and 1983 respectively to support the water adjudication effort required by SB 76 of the 1979 session.

There is appropriated \$225,000 each year of the biennium to repair spillways and renovate various water projects. The funding is split two-thirds resource indemnity trust fund interest and one-third water project earmarked revenue.

Forestry Division

Federal funds previously used to support the state forestry division are declining. Revenues from the major federal sources are projected to decline from about \$2.1 million in fiscal 1980 to approximately \$1 million in fiscal 1982 and 1983. Much of this shortfall is being picked up by general fund. Projects that were initiated with one time federal funds such as the helitack team and county cooperative fire districts must now be supported by general fund.

The following is a list of expanded forestry programs in the 1983 biennium.

- a) The new containerized seedling greenhouse has been completed and will be operated at a biennial cost of \$182,001 of earmarked funds.

- b) The communication technician, previously transferred to the now disbanded microwave bureau in the department of administration, is reinstated. Equipment replacement at a biennial cost of \$94,209 is also included.
- c) Three FTE are added to expand sales of state timber by 5 million board feet annually at a biennial cost of \$108,089.
- d) 13.6 FTE are included at a biennial cost of \$887,822 of earmarked funds for timber stand improvement.
- e) The hazard reduction program for private lands is to be expanded by 1.5 FTE at a biennial cost of \$76,111 of earmarked funds.
- f) \$180,000 is appropriated for the biennium to provide fire fighting equipment for nine county cooperative fire districts. These funds are to be used for equipment only. The existing staff are sufficient to cover these additional areas.

Senate bill 258 transferred the forestry functions of the department of natural resources and conservation to the department of state lands. Additional information about this transfer can be found in the write up on the department of state lands.

Energy Planning Division

The energy division is recommended at current level with the following exceptions: 1) elimination of two FTE in the fuel assistance bureau, 2) alternative energy development grants are increased to \$3.5 million over the biennium, 3) addition of 11 FTE, all federally funded, to continue the energy extension service, western sun solar commercialization and geothermal commercialization projects, and 4) addition of two FTE to monitor alternative energy

development and demonstrations grants. The state earmarked funds available for these grants will provide the necessary funds for these FTE.

Federal funds for institutional building energy retrofit grants are being reduced. The state general fund match for program administration was reduced accordingly.

The fuel allocation bureau is discontinued June 30, 1981. No funds were appropriated for the 1983 biennium.

Facility Siting Division

The facility siting division includes seven staff positions supported by the general fund. Other staff may be added by budget amendment if unanticipated funds are received. An additional \$1,000,000 of spending authority per year of earmarked funds is included in anticipation of requests for environmental impact statements on major power generation facilities.

The appropriation also includes \$500,000 of resource indemnity trust funds interest to continue the appropriation of HB 908 of the 1979 legislature. It will allow continuation of studies for the possible construction of a MHD engineering test facility in Montana.

Bills Affecting Department of Natural Resources

SB 409 Establishes a long-term water development program to provide financial and administrative assistance to private, local, and state entities for water resource development projects and activities. Some specific portions of the bill 1) establish a loan and grant program for water development projects and activities, 2) establish an earmarked water development account, 3) allocate a portion of the coal severance tax proceeds, 4) allocate a portion of the

interest income from resource indemnity trust account, 5) create authority for water development bonds and coal severance tax trust fund bonds, 6) lift the interest ceiling on water conservation revenue bonds, and 7) require a limited appropriation of income and interest from the coal severance tax trust.

- HB 601 Appropriates \$30,000 from the renewable resource development clearance fund account for the Glen lake irrigation district to replace the St. Clair creek syphon.
- HB 603 Appropriates \$2,148,330 for rehabilitation of the Cooney dam of the Rock creek project located near Red Lodge in Carbon county. The funds are \$441,330 of reappropriated resource indemnity trust fund interest, \$1,447,000 from a federal water and power resource service loan, and \$260,000 from a federal land and water conservation grant.
- HB 617 Appropriates \$485,000 from the water rights adjudication earmarked account for the operation of the reserved water rights compact commission.
- HB 709 Appropriates \$3,376,118 from the renewable resource development clearance fund account for projects under the renewable resource development grant program. The funds are appropriated to the department of natural resources and flow through as grants to the entities identified in the bill.

- HB 846 Appropriates \$436,063 for preplanning the rehabilitation of the Tongue river dam. Renewable resource development bond account funds of \$40,732 are appropriated for fiscal 1981. The 1983 bien-nium is funded from \$395,331 of water development earmarked revenue which was created by SB 409. This bill also authorizes the creation of a state debt in an amount not to exceed \$10 million for the issuance of state of Montana coal severance tax bonds for a state-federal cost share of the dams rehabilitation construction costs.
- HB 861 Appropriates \$350,000 to analyze the feasibility of generating hydro-electric power at off-stream sites in the Yellowstone river basin. The funds may come from the interest income of the resource indemnity trust fund account, the renewable resource development clearance fund account or from both accounts.

PUBLIC SERVICE COMMISSION

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$1,171,075	\$1,196,594	\$2,367,669
Appropriation	<u>1,241,442</u>	<u>1,195,975</u>	<u>2,437,417</u>
Approp. over(under) Exec.	\$ 70,367 =====	\$ (619) =====	\$ 69,748 =====
Percent over(under) Exec.	6.0	0.1	2.9
<u>Total Expenditures</u>			
FTE	44.0	44.0	
Executive Request	\$1,190,385	\$1,215,904	\$2,406,289
Appropriation	<u>1,260,752</u>	<u>1,215,285</u>	<u>2,476,037</u>
Approp. over(under) Exec.	\$ 70,367 =====	\$ (619) =====	\$ 69,748 =====
Percent over(under) Exec.	5.9	0.1	2.9
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$2,153,499	\$2,437,417	13.2
Total Expenditures	2,386,958	2,476,037	3.7
Expend. With Pay Plan Est.	2,386,958	2,760,405	15.6
Ending Year FTE	39.0	44.0	12.8

The public service commission is responsible for regulating prices and services of public utilities, intrastate freight haulers and municipal water and sewer systems.

Legislative Appropriation

The legislative appropriation to the public service commission will add five FTE, four professional staff and one clerical position, above the 1981 biennium level. The additional staff was authorized to improve the capability

of the commission to effectively analyze public utility rate increase proposals. The recommended professional positions are budgeted at grade 13.

Operating Budget

The commission was authorized \$7,500 in fiscal 1982 and \$2,500 in fiscal 1983 to computerize common carrier financial reports. The system will cost \$2,500 per year to operate and \$5,000 for computer software development by the department of administration. The automated system will speed up rate review analysis and provide better audit data.

Litigation Funds

A biennial appropriation of \$50,000 was authorized for litigation, if necessary, concerning the determination of the original cost of certain hydro-electric properties of the Montana Power Company. The 1979 legislature appropriated \$200,000 to audit the Montana Power Company rate base. The auditors have determined that the base is \$15.8 million too high. Montana Power Company officials initially agreed to amortize the base reduction over ten years. The Montana Power Company board of directors later turned down the agreement and plan to oppose any rate base reduction.

Supplemental Appropriation for the 1981 Biennium

In fiscal 1981 the public service commission received a general fund supplemental of \$200,000 for general operating expenses. The supplemental will be used to pay increased costs for utilities, telephone rate increases and additional travel associated with rate increase proposals.

DEPARTMENT OF INSTITUTIONS

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 50,435,768	\$ 50,967,705	\$101,403,473
Appropriation	<u>49,317,589</u>	<u>49,394,347</u>	<u>98,711,936</u>
Approp. over(under) Exec.	\$ (1,118,179) =====	\$ (1,573,358) =====	\$ (2,691,537) =====
Percent over(under) Exec.	(2.2)	(3.1)	(2.7)
<u>Total Expenditures</u>			
FTE	2,189.5	2,182.6	
Executive Request	\$ 58,170,046	\$ 59,360,655	\$117,530,701
Appropriation	<u>56,785,276</u>	<u>57,080,656</u>	<u>113,865,932</u>
Approp. over(under) Exec.	\$ (1,384,770) =====	\$ (2,279,999) =====	\$ (3,664,769) =====
Percent over(under) Exec.	(2.4)	(3.8)	(3.1)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$ 88,137,556	\$ 98,711,936	12.0
Total Expenditures	105,953,464	113,865,932	7.5
Expend. with Pay Plan Est.	105,953,464	126,295,532	19.2
Ending Year FTE	2,195.37	2,182.6	(.6)

Total Appropriations by Agency

	<u>Fiscal 1981</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
Central Office	\$12,320,290	\$11,811,271	\$11,941,332
Boulder River School	9,104,704	10,266,298	11,221,649
Center for the Aged	1,707,264	2,118,111	2,339,630
Eastmont	1,467,310	1,731,348	1,917,607
Galen	5,348,726	6,228,767	6,786,216
Mountain View School	1,370,575	1,525,045	1,670,606
Pine Hills School	2,575,035	2,731,379	2,961,335
Montana State Prison	8,111,879	9,888,983	10,699,215
Swan River	708,629	783,555	848,372
Veterans' Home	1,209,211	1,300,126	1,414,719
Warm Springs	11,797,384	12,312,155	13,571,329
Board of Pardons	<u>99,028</u>	<u>109,340</u>	<u>117,144</u>
Total	\$55,820,035	\$60,806,378	\$65,489,154

General Fund Expenditures

The legislature decreased the general fund appropriation in the 1983 biennium \$2.69 million below the executive request. The three major factors contributing to the decreases are:

1. The executive requested 23.2 direct care positions at Warm Springs state hospital that were not approved by the legislature.
2. The legislature funded 17.17 fewer positions at Galen state hospital than requested by the executive.
3. The legislature funded community mental health programs at 46 percent state participation rather than the 50 percent requested by the executive.

Due to a large increase in women offenders and the reduction of available slots in out-of-state prisons the legislature appropriated \$840,000 general fund for the 1983 biennium to provide services for an additional 20 female offenders.

The director of the department of institutions was requested to find a suitable facility for housing the female offenders prior to a special session of the legislature or February 1982, whichever comes first. If such a facility is found prior to the date mentioned, the office of budget and program planning and the legislative finance committee shall approve the site and facility. If funds appropriated are not sufficient to cover the cost of operation the department may request supplemental funding from the special session or the 1983 legislative session in the event there is no special session.

Total Expenditures

The \$3.66 million legislative appropriation below the executive request is attributed to \$2.7 million less general fund appropriation and a cutback in

federal participation in the alcohol and drug abuse division and crime control grants for correctional programs.

Population

Comparative institutional statistics for the 1981 and 1983 biennium show the movement of patients within the institutions and the general trend of population increase and decrease.

Comparative Institutional Censes (ADP)¹

	Actual Fiscal 1980	As of April 1, 1981	-----Anticipated----- Fiscal 1982	Fiscal 1983
Boulder River	252.65	229.30	225	225
Center for the Aged	195.40	192.20	195	195
Eastmont	55.58	55.50	50	50
Galen	163.00	178.40	195	195
Mtn. View School	43.00	42.20	43	43
Pine Hills	89.00	87.40	90	90
Prison	668.00	645.10	672	672
Swan River	46.00	43.10	50	50
Veterans' Home	121.60	108.20	115	115
Warm Springs	<u>327.00</u>	<u>307.00</u>	<u>315</u>	<u>315</u>
	1,961.23	1,888.40	1,950	1,950

¹ Average daily population not including individual on leave or escaped.
(Information provided by department of institutions for fiscal 1981).

Staffing

Comparative Staffing Levels (FTE State Employees)

	Actual Fiscal <u>1980</u>	----- ¹ Appropriated----- Fiscal <u>1981</u>	Fiscal <u>1982</u>	Fiscal <u>1983</u>
Central Office	191.50	191.00	181.50	180.50
Boulder River	542.10	468.26	486.90	486.90
Center for the Aged	99.93	99.93	104.93	104.93
Eastmont	91.50	91.50	92.50	92.50
Galen	278.30	286.10	271.73	271.73
Mtn. View School	68.38	68.38	68.38	68.38
Pine Hills	124.87	124.87	125.87	119.97
Prison	269.17	269.17	278.79	278.79
Swan River	28.91	29.33	26.33	26.33
Veterans' Home	49.13	49.13	61.08	61.08
Warm Springs	534.88	514.20	487.99	487.99
Board of Pardons	<u>3.50</u>	<u>3.50</u>	<u>3.50</u>	<u>3.50</u>
Total	2,282.17	2,195.37	2,189.50	2,182.60

¹ Does not include FTE added by supplemental or budget amendment.

The number of institution state employees has decreased each year since fiscal 1975. Population reductions at Warm Springs and Galen and reduced federal funding of the alcohol and drug abuse division account for the reduction in staff during the 1983 biennium.

Three institutions had major increases in staffing patterns during the 1981 biennium:

Boulder river school - increased staff to upgrade educational programs to the residents.

Veterans' home - upgrade medical and support staff to provide the level of care required by the veterans' administration.

Montana state prison - upgrade prison security and medical services.
(See institutional write-ups for more detailed information.)

Utilities

In the 1981 biennium the department of institutions requested and received a general fund supplemental of \$864,484 for unanticipated utilities increases. In the 1983 biennium the legislature put language in the boiler plate of HB 500 that the institutions may ask for a supplemental if utilities costs exceed those shown below. If utilities are less than the anticipated amounts, the differences will revert to the general fund.

	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
Boulder River	\$484,045	\$542,130
Center for the Aged	85,125	95,340
Eastmont	47,989	53,748
Galen	326,794	366,010
Mountain View	47,911	53,660
Pine Hills	114,992	126,422
Prison	239,486	267,766
Swan River	45,253	50,683
Veterans' Home	91,286	102,241
Warm Springs	724,971	811,968
Corrections Division	22,401	25,090

CENTRAL OFFICE

	Fiscal <u>1982</u>	Fiscal <u>1983</u>	Biennium 1983 <u>Totals</u>
Executive Request	\$ 9,140,745	\$ 9,394,032	\$18,534,777
Appropriation	<u>9,399,965</u>	<u>9,109,884</u>	<u>18,509,849</u>
Approp. over(under) Exec.	\$ 259,220 =====	\$ (284,148) =====	\$ (24,928) =====
Percent over(under) Exec.	2.8	(3.0)	0.0
<u>Total Expenditures</u>			
FTE	181.5	180.5	
Executive Request	\$11,316,152	\$11,587,927	\$22,904,079
Appropriation	<u>11,399,098</u>	<u>11,072,752</u>	<u>22,471,850</u>
Approp. over(under) Exec.	\$ 82,946 =====	\$ (515,175) =====	\$ (432,229) =====
Percent over(under) Exec.	.01	(4.4)	(1.9)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$15,051,357	\$18,509,849	23.0
Total Expenditures	22,861,453	22,471,850	(1.7)
Expend. with Pay Plan Est.	22,861,453	23,752,603	3.9
Ending Year FTE	191.0	180.5	(5.5)

Director's Program

In the 1981 biennium the director's program had three positions associated with institutional industries. Two of the positions were deleted due to the establishment of an industries program at the prison. One position remains on the director's staff to coordinate industries activities and to develop new markets for industries produced goods and services. This position is to be funded from the prison industries revolving fund. (See prison industries write-up.)

One lawyer II position that was not filled in the 1981 biennium was deleted and \$5,000 per year was added for the director to contract for legal services.

Alcohol and Drug Abuse Division (ADAD)

In the 1981 biennium the alcohol and drug abuse division was appropriated earmarked alcohol funds for distribution to county programs. The department of revenue in accordance with 53-24-206(3)(b), MCA makes distribution of county earmarked alcohol funds and as such, legislative appropriation to the alcohol and drug abuse division was not required.

The legislature allocated the earmarked alcohol funds as follows:

	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
ADAD Administration	\$ 265,461	\$ 271,253
Institutional Counselors ¹	62,468	62,468
Justice - Crime Lab	78,221	85,166
ADAD Discretionary	426,960	465,245
Galen	1,305,988	1,365,719
Counties	1,677,479	1,809,498
Legislative Audit		2,051
Total	<u>\$3,816,577</u>	<u>\$4,061,400</u>

In prior fiscal years ADAD was primarily funded with alcohol incentive grants from the federal government. Due to decreased federal participation four FTE were deleted and \$536,714 of earmarked alcohol funds were appropriated to fund the administration of the program. ADAD received \$892,205 of earmarked alcohol funds for discretionary funding of state alcohol programs. Legislative concern was expressed as to the number of alcohol programs that should be maintained and that repetitive programs be eliminated whenever possible.

¹ Alcohol counselors located at Montana state prison, Pine Hills school and Swan river youth forest camp.

Montana Drug Program (MDP) - The Montana drug program, formerly southwestern Montana drug program was started in fiscal 1973 with 80 percent federal funds and 20 percent state funds. Each year the state has assumed a larger percentage of the costs. The legislature provided \$398,835 of general fund to match federal funds from the national institute on drug abuse. It is legislative intent that the maximum amount of general fund participation be 32 percent of total program costs. The department of institutions deleted 2.5 FTE (2 drug counselors and .5 secretary) due to expanding subgrants to community programs and reducing state operated treatment programs.

Corrections Division

There were substantial changes made in the corrections division budget, primarily due to the large increase in women offenders and the loss of crime control funds for the sheltercare program.

Women Offenders - The women offender program experienced a dramatic increase in prisoners during the 1981 biennium. The division received funding for 11 women offenders (eight of the 11 slots were in the Billings life skills center) for the 1981 biennium. During the 1981 legislative session, the women offender population was 37. The legislature authorized funding for 41 women offenders for the 1983 biennium.

Due to the large increase and a reduction of available slots in out-of-state prisons, the department proposed remodeling a vacant cottage at Mountain View school to house women offenders. This site was rejected by the legislature and language was inserted in HB 500 to that effect. The legislature appropriated \$840,000 general fund over the biennium and directed the department of institutions to find another site for the facility.

The department is to present the site selection and criteria used to the legislative finance committee for approval. Any funds appropriated for the women's facility must be used for that purpose or will be reverted to the general fund.

Below is shown the breakdown of available slots for women offenders by fiscal year.

	Budgeted <u>FY80</u>	Actual <u>FY80</u>	Projected <u>FY81</u>	Estimated <u>FY82</u>	Estimated <u>FY83</u>
Billings Life Skills Center	8	12	12	12	12
Other County Jails			3		
Missoula County Jail	2	3	3	2	2
Life Skills			5		
Out-of-State Prison Facilities					
Nevada	1	10	10	6	6
California	0	1	1	0	0
West Virginia	0	0	1	1	1
Women's Facility	<u>--</u>	<u>--</u>	<u>--</u>	<u>20</u>	<u>20</u>
Total	11	26	35	41	41

Sheltercare - The sheltercare program provides emergency housing for youth in lieu of jail or in case of a family crisis. During fiscal 1980, the board of crime control provided 53 percent (\$91,573) of the funding for this program. The crime control funding will be reduced to \$68,200 in fiscal 1981, and is anticipated to end by June 30, 1981. The legislature authorized this program to continue at current level and appropriated additional general fund of \$96,567 in fiscal 1982 and \$112,206 in fiscal 1983. The chart below summarizes the sheltercare funding history.

Sheltercare Funding

	Actual <u>FY80</u>	Projected <u>FY81</u>	----Budgeted---- <u>FY82</u>	<u>FY83</u>
Board of Crime Control General Fund	\$ 91,573 <u>79,686</u>	\$ 84,000 <u>97,800</u>	\$ -0- <u>194,367</u>	\$ -0- <u>210,006</u>
Total	\$171,259	\$181,800	\$194,367	\$210,006

Foster Home Increases - The legislature authorized an increase in foster home rates from \$200 per month in fiscal 1981 to \$250 per month in fiscal 1982, and \$275 per month in fiscal 1983.

Staffing - The corrections division staffing increased from 94.0 to 95.0 FTE. An additional counselor position is authorized for the Billings life skills center.

Equipment - The corrections division equipment budget is primarily made up of items for aftercare group homes and automobiles for parole and probation officers. It was anticipated all furniture would be built by the prison industry program.

	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
Furniture and Equipment for Aftercare Group Homes	\$ 8,556	\$ 1,595
Cars	(5) <u>31,125</u>	(6) <u>37,350</u>
Total	\$39,681	\$38,945

Management Services Division

The legislature appropriated funds for the division to hire an additional programmer/analyst III position. The position is to complete programming on the automated billing and accounts receivable system (ABARS) and provide programming support for institutional data processing systems. The department uses ABARS to calculate the reimbursement due the state general fund

for services provided to institutionalized individuals who are covered by medicaid, medicare, private insurance, or have private resources available. Due to the expanded data processing capabilities, two FTE are deleted, one each year of the biennium. It is legislative intent that the division maximize reimbursement to the state general fund from medicaid, medicare, insurance and private pay sources.

The division was authorized \$16,145 of general fund and \$8,855 of other funds in fiscal 1983 for a legislative audit of the central office of the department of institutions.

Mental Health and Residential Services Division

The division was decreased from 15 to 14 FTE due to the loss of federal 314D funding. The community support and manpower programs were maintained at current level. Language in HB 500, the general appropriation act of 1981, states that no general fund may be used to support the operations of the manpower or community support programs.

Community Mental Health Programs - The appropriation to the mental health division includes \$7,903,725 of general fund for community mental health programs of which \$60,000 may be used to support programs provided by the friends to youth programs in Missoula. General fund support for community mental health programs was maintained at the same level, 46 percent, as actually experienced in fiscal 1980. The legislature expressed great concern over the accountability of the mental health centers. Although there is a uniform accounting system, the centers are not uniform on the pay structures, benefits allowed employees and other administrative practices. It is legislative intent that a standardized fee for services structure be established instead of a block grant. Then each center would be reimbursed

for the actual amount of mandated state services provided. The director of the department of institutions was authorized to establish a fee for service arrangement with the community mental health centers and allocate funds to provide for the state mandated services. The legislature was aware that federal funds maybe cut back by \$2.7 million in the 1983 biennium. If federal funds are cut back, the centers will have to reduce federally funded programs accordingly or seek additional funding sources. Section 53-21-204 (5) MCA, 1979 allows the counties to levy up to "one (1) mill ... on the taxable valuation of the county in addition to all other taxes allowed by law to be levied on such property," in support of mental health centers. If the counties levied the one mill, approximately \$3,292,000 could be generated in the 1983 biennium to support mental health centers.

BOULDER RIVER SCHOOL AND HOSPITAL

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 9,392,394	\$ 9,410,247	\$18,802,641
Appropriation	<u>9,323,901</u>	<u>9,364,280</u>	<u>18,688,181</u>
Approp. over(under) Exec.	\$ (68,493) =====	\$ (45,967) =====	\$ (114,460) =====
Percent over(under) Exec.	(0.7)	(0.5)	(0.6)
<u>Total Expenditures</u>			
FTE	486.90	486.90	
Executive Request	\$ 9,484,540	\$ 9,490,420	\$18,974,960
Appropriation	<u>9,430,081</u>	<u>9,465,861</u>	<u>18,895,942</u>
Approp. over(under) Exec.	\$ (54,459) =====	\$ (24,559) =====	\$ (79,018) =====
Percent over(under) Exec.	(0.6)	(0.3)	(0.4)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$16,820,380	\$18,688,181	11.1
Total Expenditures	17,434,695	18,895,942	8.4
Expend. With Pay Plan Est.	17,434,695	21,487,947	23.2
Ending Year FTE	484.26	486.90	0.5

Boulder river school and hospital provides for the care, treatment and habilitation of the mentally retarded.

Legislative Appropriation

In fiscal 1980 the office of civil rights cited Boulder river school and hospital (BRS&H) for not providing a free and appropriate education to the residents of the institution. The office of superintendent of public instruction made special education funds available to BRS&H on a one-time only

basis to bring the educational programs up to appropriate levels. The funding was to meet emergency needs and the office of public instruction did not intend to continue the funding into the 1983 biennium. Therefore, to maintain the educational programs and augment the support staff at BRS&H the legislature authorized \$766,634 general fund. The additional funding will allow the institution to maintain five teachers, nine teacher's aides, one adaptive carpenter, one speech pathologist and hire one occupational therapist, one rehabilitation aide, six laundry worker I's and one housekeeping supervisor.

The legislature maintained a 1:1 direct care staff to student ratio (direct care defined as habilitation aides I, II, III; nurse professional II, III; licensed practical nurses I, II, and III; cottage supervisor I and II and nurse aides) for an average daily population of 225 residents. Direct care staff of 6.36 FTE were deleted from the fiscal 1981 level due to the reduced resident population.

Population

By June 30, 1981 the resident population is anticipated to be 225 and is expected to maintain that level during the 1983 biennium. The legislature felt the population at BRS&H had stabilized and did not appropriate funds for further deinstitutionalization. Although no funds are directly appropriated for deinstitutionalization, resident movement may take place due to attrition within community programs.

Other Funding Sources

The legislature authorized \$138,753 of Title I, \$20,840 for canteen operations and \$48,168 of federal school lunch funds for the 1983 biennium.

Equipment

BRS&H was authorized \$198,563 in fiscal 1982 and \$75,480 in fiscal 1983 to purchase equipment. Some of the more costly items are shown below:

<u>Item</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
8 Food Delivery Carts	\$ 28,000	
6 Century Bathing Systems	30,012	
3 Sedans	21,000	
1 Food Delivery Truck	14,000	
2 Station Wagons	18,000	
2 Passenger Buses	30,000	\$30,000
3 Pick-ups	14,000	7,000
Electrolyte System	3,995	
Dental Unit	7,500	
2 Convention Ovens	5,000	
Microscope	3,920	
12 Sofas		6,600
12 Living Room Chairs		4,800
45 Mattresses		4,500
48 Beds		7,200
Sony Beta Play System		3,500
Other	<u>23,136</u>	<u>11,880</u>
Total	\$198,563	\$75,480

Supplemental Appropriation for the 1981 Biennium

In fiscal 1981, BRS&H received a general fund supplemental appropriation of \$586,256. The funds are to be used for:

1. Personal Services - \$164,155 to replace vacancy savings that were not generated in fiscal 1981.
2. Supplies and Materials - \$24,000 to bring food inventories up to minimum levels.
3. Repair and Maintenance - \$12,000 for emergency cottage repairs.
4. Utilities - \$386,101 for unanticipated rate increases.

CENTER FOR THE AGED

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$2,053,202	\$2,084,704	\$4,137,906
Appropriation	<u>1,939,921</u>	<u>1,972,887</u>	<u>3,912,808</u>
Approp. over(under) Exec.	\$ (113,281) =====	\$ (111,817) =====	\$ (225,098) =====
Percent over(under) Exec.	(5.5)	(5.4)	(5.4)
<u>Total Expenditures</u>			
FTE	104.93	104.93	
Executive Request	\$2,062,660	\$2,094,433	\$4,157,093
Appropriation	<u>1,949,379</u>	<u>1,982,616</u>	<u>3,931,995</u>
Approp. over(under) Exec.	\$ (113,281) =====	\$ (111,817) =====	\$ (225,098) =====
Percent over(under) Exec.	(5.5)	(5.4)	(5.4)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$3,257,853	\$3,912,808	20.1
Total Expenditures	3,275,114	3,931,995	20.1
Expend. With Pay Plan Est.	3,275,114	4,457,741	36.1
Ending Year FTE	99.93	104.93	5.0

The Montana center for the aged provides long-term care to geriatric residents transferred from Warm Springs state hospital and referrals from the Montana mental health centers.

Staffing

The appropriation includes \$125,830 of general fund to hire an additional five FTE in the 1983 biennium. Four custodial worker II positions were authorized to bring the housekeeping up to health standards as recommended

by the department of health. A pharmacist position was added to provide better control of dispensing and ordering prescription drugs. In prior years the center contracted with a local pharmacist for pharmaceutical services and would pay retail prices for drugs.

With the addition of the pharmacist position drugs can be purchased wholesale and cost associated with the administration, dispensing, and procurement of the drugs will be reimbursed from medicaid, medicare or private sources to the general fund.

Fire Alarm System

The legislature was very concerned with the fire alarm system at the center. Language in the appropriation bill provides \$18,964 in fiscal 1982 and \$21,771 in fiscal 1983 to repair the fire alarm system and insure adequate protection for the residents in case of a fire. If the funds are not spent for the fire alarm system, they will revert to the general fund.

Population

The center is anticipated to maintain an average daily population of 195 residents for the 1983 biennium. The population of Warm Springs has stabilized and transfer of residents to the center may decrease in the 1983 biennium.

Other Funding Sources

The legislature authorized \$19,187 for a canteen revolving fund in the 1983 biennium.

Equipment

The center for the aged was authorized \$17,029 in fiscal 1982 and \$5,186 in fiscal 1983 to purchase equipment consisting of:

	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
Condensation Pump	\$ 7,500	
Aspirator	300	
Drug Refrigerator	300	
Floor Polisher	1,028	
Washer and Dryer	800	
Lounge Furniture	2,500	
T.V.	310	\$ 310
Hot Food Carts		4,000
4 Calculators		876
Housekeeping Carts	896	
Miscellaneous Equipment	<u>3,395</u>	<u> </u>
Total	\$17,029	\$5,186

Supplemental Appropriation for the 1981 Biennium

In fiscal 1981 a general fund supplemental of \$18,947 was appropriated for utilities.

EASTMONT TRAINING CENTER

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$1,571,670	\$1,598,201	\$3,169,871
Appropriation	<u>1,530,951</u>	<u>1,549,225</u>	<u>3,080,176</u>
Approp. over(under) Exec.	<u>\$ (40,719)</u>	<u>\$ (48,976)</u>	<u>\$ (89,695)</u>
Percent over(under) Exec.	(2.6)	(3.1)	(2.8)
<u>Total Expenditures</u>			
FTE	92.5	92.5	
Executive Request	\$1,613,115	\$1,640,818	\$3,253,933
Appropriation	<u>1,579,679</u>	<u>1,599,024</u>	<u>3,178,703</u>
Approp. over(under) Exec.	<u>\$ (33,436)</u>	<u>\$ (41,794)</u>	<u>\$ (75,230)</u>
Percent over(under) Exec.	(2.1)	(2.5)	(2.3)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$2,695,206	\$3,080,176	14.3
Total Expenditures	2,794,016	3,178,703	13.8
Expend. With Pay Plan Est.	2,794,016	3,648,955	30.6
Ending Year FTE	91.5	92.5	1.1

Eastmont is responsible for providing residential and day training programs for developmentally disabled residents. The institution provides two distinct programs: 1) a five-day residential training program for children, and 2) a seven-day intermediate care facility for adults.

Staffing

The legislative appropriation for Eastmont allows the 40-bed ICFMR to maintain a 1:1 direct care staff to resident ratio and a minimum of a 1:2 direct care staff to resident ratio in the five-day special education program.

A physical therapist position was deleted at the request of the institution and two laundry worker I positions were added. The additional positions will allow direct care staff to concentrate on resident training programs instead of having to do laundry.

Population

Seven-day Program - Eastmont was budgeted for an average daily population of 40 residents. It is the intent of the legislature that as beds become available and program considerations allow, further transfer of patients from Boulder river school and hospital to Eastmont will take place.

Five-day Program - Because of the community special education programs and the lack of a waiting list, Eastmont's five-day program may be phased out in the 1983 biennium. The legislative appropriation includes staff and operating funds to maintain 15 children in the five-day program for the 1983 biennium.

Other Funding Sources

The legislature authorized \$98,527 of other funds for the 1983 biennium; \$89,732 of ESEA Title I, \$545 of Title IV and \$8,250 of federal school lunch funds.

Equipment

Eastmont was authorized \$25,320 in fiscal 1982 and \$15,740 in fiscal 1983 to purchase equipment. Some of the larger approved purchases are:

	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
Washer and Dryer	\$ 1,100	
Cottage Furniture	1,000	\$ 1,000
12 Passenger Van	13,000	
Cottage Drapes	3,000	
Dictaphone Transcriber	1,800	
Deep Freeze	1,000	
Cottage Carpet		2,000
Table and Chairs		1,020
Video Tape Equipment		4,000
Auditory Trainer		800
Treatment Room Cupboards		1,170
Microwave		850
Other	<u>4,420</u>	<u>4,900</u>
Total	\$25,320	\$15,740

GALEN STATE HOSPITAL

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 4,780,382	\$ 4,800,003	\$ 9,580,385
Appropriation	<u>4,417,192</u>	<u>4,366,991</u>	<u>8,784,183</u>
Approp. over(under) Exec.	\$ (363,190) =====	\$ (433,012) =====	\$ (796,202) =====
Percent over(under) Exec.	(7.6)	(9.0)	(8.3)
<u>Total Expenditures</u>			
FTE	271.73	271.73	
Executive Request	\$ 6,372,176	\$ 6,435,215	\$12,807,391
Appropriation	<u>5,724,180</u>	<u>5,733,710</u>	<u>11,457,890</u>
Approp. over(under) Exec.	\$ (647,996) =====	\$ (701,505) =====	\$(1,349,501) =====
Percent over(under) Exec.	(10.2)	(10.9)	(10.5)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$ 7,701,415	\$ 8,784,183	14.1
Total Expenditures	10,170,869	11,457,890	12.7
Expend. With Pay Plan Est.	10,170,869	13,014,983	28.0
Ending Year FTE	286.10	271.73	(5.0)

Galen state hospital is responsible for the treatment of tuberculosis, silicosis, and provides acute medical services for Warm Springs patients. Galen also has programs for alcoholism and drug-related illnesses.

Legislative Appropriation

The legislature consolidated selected medical and administrative services between Warm Springs and Galen state hospitals. The department of institutions proposed and the legislature concurred in the following changes:

1. Administrative control of both facilities are placed under a chief executive officer and the positions of superintendent and hospital administrator were eliminated.
2. The business office functions of both facilities were merged into a centralized business office located at Galen.
3. Ancillary services, medical records, pharmacy, inhalation therapy, x-ray, laboratory, dietary, and central medical supply, are reorganized under one ancillary services department.
4. Laundry, maintenance and housekeeping services are reorganized into one environmental services department.
5. Medical services are reorganized under one medical services department but each institution will have its own medical staff and bylaws.
6. Each facility will maintain the integrity of the individual treatment units to insure the differing needs of the patients can be met.

It is the intent of the legislature that all redundancies of direct and indirect services be eliminated wherever possible. Language was placed in the appropriations bill to allow the transfer of funds between Warm Springs and Galen by the budget amendment process. Also, if applicable and warranted, further consolidation may take place between the two facilities.

The drug program and the alcohol treatment center were maintained at the fiscal 1981 level with inflationary increases.

Staffing

The legislature authorized sufficient direct care staff to provide a minimum of 3.5 hours of direct nursing care per patient per day requiring intermediate nursing care and 5.64 hours per day for patients requiring acute hospitalization. The recommended staffing will reduce direct care

positions by 17.17 FTE. The legislature deleted six food service positions as remodeling the dining room will allow patients and staff to be served from the same food serving line.

Population

Hospital - The hospital has a licensed capacity of 220 beds. The average daily population in fiscal 1980 was 89 or a 40.5 percent occupancy rate. Because of the transfer of geriatric patients from Warm Springs to Galen in the 1981 biennium the 1983 biennium budget is based on an average daily population of 105 patients.

Alcohol treatment center - The center is licensed for 90 beds and is budgeted for 75 patients on an average daily basis for the 1983 biennium.

Drug program (lighthouse) - The drug program was budgeted for an average daily population of 15 patients. The program maintained an average daily population of 12 for fiscal year 1980.

Equipment

Galen was authorized \$57,172 in fiscal 1982 and \$1,304 in fiscal 1983 to purchase equipment. The major equipment purchases are:

	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
Ice Machine	\$2,800	
6 Hospital Beds	2,304	
Battery for X-Ray Unit	2,500	
Electrocardiograph	2,200	
2 Pickups	12,498	
1 Station Wagon	7,875	
3 Typewriters	2,775	
Collimator	1,650	
2 Food Carts	1,790	
2 Floor Buffers	1,770	
6 Geriatric Chairs	1,350	
1 Sedan	7,000	
1 Van	7,500	
Dictaphone/Transcriber		1,304
Other	3,160	
Total	<u>\$57,172</u>	<u>\$1,304</u>

Supplemental Appropriations for the 1981 Biennium

Galen state hospital received a \$13,350 general fund supplemental in fiscal 1981 to pay utility increases that were not absorbed within existing appropriations.

MOUNTAIN VIEW SCHOOL

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$1,374,463	\$1,401,269	\$2,775,732
Appropriation	<u>1,310,400</u>	<u>1,324,744</u>	<u>2,635,144</u>
Approp. over(under) Exec.	\$ (64,063) =====	\$ (76,525) =====	\$ (140,588) =====
Percent over(under) Exec.	(4.7)	(5.5)	(5.1)
<u>Total Expenditures</u>			
FTE	68.38	68.38	
Executive Request	\$1,414,463	\$1,441,269	\$2,855,732
Appropriation	<u>1,399,707</u>	<u>1,418,671</u>	<u>2,818,378</u>
Approp. over(under)Exec.	\$ (14,756) =====	\$ (22,598) =====	\$ (37,354) =====
Percent over(under) Exec.	(1.0)	(1.6)	(1.3)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$2,389,543	\$2,635,144	10.3
Total Expenditures	2,602,962	2,818,378	8.3
Expend. With Pay Plan Est.	2,602,962	3,195,651	22.8
Ending Year FTE	68.38	68.38	0.0

Mountain View school is responsible for the care, education, and rehabilitation of juvenile girls who are committed to the school by district courts. In addition, the school contracts with the federal government for care of girls who are in federal custody.

The activities at the Mountain View school are budgeted to remain at current level. The population is projected to remain constant at 45. FTE authorized also remain at the current level of 68.38.

Funding

Mountain View school receives funding from several sources. The legislature authorized nongeneral fund spending authority totalling \$183,234 as is detailed below.

1. Title I (Education Assistance) - The legislature authorized \$107,236 spending authority for Title I revenues over the biennium. Title I assistance is estimated to remain at current level and is projected off the fiscal 1980 actual base.

2. School Lunch - The legislature authorized \$36,000 spending authority from school lunch funds over the biennium. This represents a slight decline of income from the 1981 biennium level.

3. Federal Boarders - The anticipated federal boarder income is \$20,000 per year which is approximately equal to one girl at the school all year at \$60 per day.

Equipment

The authorized equipment purchases total \$22,350 over the biennium and are detailed below:

	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
Cars	(1) \$ 5,800	(1) \$6,300
Washer	350	375
Dryer	275	300
Fireproof File Cabinet	450	
Gas Convection Oven	4,000	
4 Radio/phonographs	1,000	
Ice Machine	1,500	
Chairs for Cafeteria	<u>2,000</u>	<u> </u>
Total	\$15,375	\$6,975

PINE HILLS SCHOOL

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$2,173,758	\$2,224,789	\$4,398,547
Appropriation	<u>1,986,558</u>	<u>1,983,777</u>	<u>3,970,335</u>
Approp. over(under) Exec.	\$ (187,200) =====	\$ (241,012) =====	\$ (428,212) =====
Percent over(under) Exec.	(8.6)	(10.8)	(9.7)
<u>Total Expenditures</u>			
FTE	125.87	119.97	
Executive Request	\$2,584,896	\$2,641,312	\$5,226,208
Appropriation	<u>2,512,012</u>	<u>2,520,296</u>	<u>5,032,308</u>
Approp. over(under)Exec.	\$ (72,884) =====	\$ (121,016) =====	\$ (193,900) =====
Percent over(under) Exec.	(2.8)	(4.6)	(3.7)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$3,748,473	\$3,970,335	5.9
Total Expenditures	4,812,150	5,032,308	4.6
Expend. With Pay Plan Est.	4,812,150	5,692,714	18.3
Ending Year FTE	124.87	119.97	(3.9)

Pine Hills school, located in Miles City, is responsible for care, education, and rehabilitation of juvenile boys who are committed to the school by district courts. The school also contracts with the federal government for care of juvenile boys who are in federal custody.

Staffing Pattern

The average daily population of Pine Hills has declined since fiscal 1976. In fiscal 1976, the average population was 125, while in fiscal 1980 the average population was 89. Although the population has declined, the staffing

pattern has not changed in total FTE. The department of institutions contracted with a private consulting firm to determine the optimum population and associated staffing level for Pine Hills school. The consultant recommended a reduction in the population, and also a staffing ratio for each cottage. The 119.97 FTE level approved for fiscal 1983 is very similar to the level recommended and reduces the cottage attendant staff by 5.9 FTE. The legislature allowed the facility to remain at its current staff level, 124.87 FTE, for fiscal 1982, to allow staffing reorganization and the transition to a new cottage which will be completed in fiscal 1982.

Cottage Staffing

It is anticipated that five cottages will be open at the school. The approved cottage staffing level for fiscal 1982 includes 6.0 FTE cottage life attendant III's, 32.4 FTE cottage life attendant II's, and 8.0 FTE cottage life attendants I's. In fiscal 1983, the cottage life attendant I's will be reduced from 8.0 FTE to 2.1 FTE. This reduction will be possible due to staff reorganization. The approved staffing pattern will provide adequate 24-hour coverage and will preclude the scheduling of inexperienced cottage life attendant I's as the only staff members working at a cottage.

The legislature approved the addition of 1.0 FTE substance abuse counselor to the Pine Hills staff. In the 1981 biennium this position was contracted by the drug and alcohol division, but was working on site at the school. This transfer will allow this position to report directly to the school superintendent for closer coordination with the counseling staff. The salary for this position is paid from earmarked alcohol funds.

Special Improvement District

The legislature approved \$19,744 per year for payment to the Custer county water and sewer special improvement district. This assessment was based on the school being equivalent to 57 users as established by Morrison & Maierle, engineers. In addition, this annual assessment should decline as the number of users in the district increases because the special district is an area of anticipated growth.

Funding

Pine Hills school is authorized spending from several sources of income.

1. Federal Boarders - Spending authority totalling \$50,000 over the biennium is authorized for revenue received from federal boarders. This revenue estimate assumes one federal boarder all year each year at a rate of approximately \$69 per day.

2. Interest and Income - This income is from rental and royalties derived from land donated to the school. This revenue source varies widely primarily due to the amount and success of oil and gas exploration undertaken on land the school owns. The legislature approved spending authority totalling \$600,000 over the biennium.

3. Title I (Education Assistance) - These funds are anticipated to increase substantially over the 1981 biennium level due to grants submitted by the school and accepted by the federal government. Title I authority totals \$251,239 over the 1983 biennium.

4. School Lunch - The legislature authorized \$120,000 spending authority for the biennium.

The general boiler plate language included in the appropriations bill requires reversion of general fund in the amount that any of these funding

sources exceed the amount authorized by the legislature.

Equipment

The legislature authorized equipment purchases totalling \$18,895 over the biennium which are detailed below:

	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
Washers (1)	\$ 325	
Dryers (1)	250	
Vehicles	7,000	\$7,000
Beanbag Chairs (10)	800	
Refrigerator (2)	550	550
Color TV (1)		570
Stereo Sets (2)	350	350
Vacuum Cleaner (1)	350	
Mobile 2-way Radio (1)	<u> </u>	<u>800</u>
Total Equipment	\$9,625	\$9,270

STATE PRISON

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 6,793,062	\$ 6,926,372	\$13,719,434
Appropriation	<u>6,997,980</u>	<u>7,105,309</u>	<u>14,103,289</u>
Approp. over(under) Exec.	\$ 204,918 =====	\$ 178,937 =====	\$ 383,855 =====
Percent over(under) Exec.	3.0	2.6	2.8
FTE			
Care & Custody	256.79	256.79	
Ranch	15.00	15.00	
Industries	5.00	5.00	
License Plate Factory	<u>2.00</u>	<u>2.00</u>	
Total FTE	278.79	278.79	
<u>Total Expenditures</u>			
Executive Request	\$ 9,223,484	\$ 9,656,728	\$18,880,212
Appropriation	<u>9,390,180</u>	<u>9,656,830</u>	<u>19,047,010</u>
Approp. over(under)Exec.	\$ 166,696 =====	\$ 102 =====	\$ 166,798 =====
Percent over(under) Exec.	1.8	0.0	0.9
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$12,692,237 ¹	\$14,103,289	11.1
Total Expenditures	15,975,576	19,047,010	19.2
Expend. With Pay Plan Est.	15,975,576	20,588,198	28.9
Ending Year FTE	262.17	278.79	6.3

¹Includes general fund supplemental totalling \$1,277,627.

Appropriations

The chart above shows legislative appropriation in excess of the executive requests for both general and total funds. This is due to substantial budget revisions made by the department of institutions after the governor's

budget was presented to the legislature.

Inmate Population

The prison was budgeted for an average daily population of 672 inmates for the 1983 biennium. During session, the population exceeded 690. Although several bills were passed by the legislature calling for stricter sentencing, the department of institutions did not request additional funding.

Staffing

Care and Custody - The chart below shows the 1981 biennium staffing pattern and the approved 1983 biennium staffing pattern. (The 1981 staffing includes 27.0 FTE added by the governor).

	<u>1981 Biennium</u>	<u>1983 Biennium</u>
Administration	60.42	67.29
Treatment	36.50	41.50
Security*	<u>169.25</u>	<u>148.00</u>
Total FTE	266.17	256.79

*1981 biennium includes 12.66 security clerical FTE, 1983 biennium does not. 6.87 security clerical FTE transferred to administration in the 1983 biennium.

Security Staffing - The security staffing was determined with the aid of a consultant's study completed during fiscal 1981. Adjustments were made to the final recommendations including the provision of staff at Powell county hospital, some posts being eliminated, and some posts being reassigned or combined by the department director. The approved security staffing is shown below by classification and FTE.

	1981* Biennium <u>FTE</u>	1983 Biennium <u>FTE</u>
Correctional Officer 1	145.25	120.00
Correctional Officer 2	2.00	2.00
Correctional Sergeant	13.00	17.00
Correctional Lieutenant	6.00	6.00
Correctional Captain	1.00	1.00
Armorer	1.00	1.00
Associate Warden	<u>1.00</u>	<u>1.00</u>
Total	169.25	148.00

*Includes 22.0 FTE authorized by Governor.

The number of security staff authorized in the 1983 biennium represent those necessary to man all posts deemed essential by the department. The staffing allows adequate manpower and funding to fill all essential posts when average annual leave, average sick leave, military leave, and holidays are calculated into the FTE base.

Other Staffing

1. A 1.0 FTE substance abuse counselor was added to the prison staff, and deleted from the alcohol and drug abuse division. This transfer was made to allow the counselor to report directly to the prison administration. This position's salary is paid from earmarked alcohol fund.

2. Five FTE positions were changed as requested by the department (as shown below) to the nurse professional II category to allow the prison infirmary to maintain its certification status. The approved nursing staff meets the certification requirements.

<u>FTE</u>	<u>Positions Deleted</u> <u>(as requested by department)</u>	<u>FTE</u>	<u>Positions Added</u>
1.0	Equipment Operator	1.0	Nurse Professional II
3.0	Correctional Officer I	3.0	Nurse Professional II
<u>1.0</u>	Licensed Practical Nurse II	<u>1.0</u>	Nurse Professional II
5.0		5.0	

3. Two FTE social workers that were added by the governor during the last biennium were authorized by the legislature.

4. An additional 6.87 FTE were added to the administrative area. These 6.87 FTE were transferred from security to administration because they are clerical positions.

Overtime

The amount of overtime requested by the department was substantially reduced from the 1981 level, and was subsequently approved by the legislature. The overtime authorized for the 1983 biennium is \$93,976 each year. The overtime was reduced because (1) staffing at the FTE level that was determined essential included a relief factor for sick leave, military leave, and annual leave; and (2) the staffing pattern approved provided for a staffed post at Powell county hospital rather than staffing on an overtime basis.

Repair

The amount of repair expenditures authorized by the legislature was projected from fiscal 1980 actual expenditures. The repairs authorized totals \$99,939 in fiscal 1982 and \$86,309 in fiscal 1983. The amount authorized in fiscal 1982 includes a base level projection of \$74,939. Above the base, \$10,000 was added for paint and \$10,000 was added to repair "deadlined" vehicles at the prison. In fiscal 1983, \$5,000 was added to the base for repair to "deadlined" vehicles. The amounts added to the base were intended as one-time "catch-up" expenditures.

Equipment

The equipment purchase authorized totalled \$95,400 for the biennium, and are detailed below:

	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
Vehicles	(2) \$12,809	(3) \$20,781
12 Passenger Van (1)	10,000	
40' Aerial Ladder (attaches to truck)	16,900	
Welding Machine	3,200	
2 Stage Regulator (for oxyacetylene torch)	200	
1 Replacement Boiler	5,000	
Electric Fork Lift		22,000
Sewer Snake		2,410
3 Washers/Dryers		<u>2,100</u>
Total	\$48,109	\$47,291

Prison Ranch

The legislature approved 15.0 FTE for the ranch as requested by the department. This represents a decrease of 6.0 FTE from the fiscal 1981 level of 21.0 FTE. The approved FTE level includes a reduction of 3.0 butchers, 2.0 ranch foremen IIs, and one soil scientist III. The legislature approved the continuance of the ranch to provide employment for the inmates. The approved spending authority includes \$300,960 over the biennium to purchase hogs on the open market as the ranch no longer has its hog operation.

Industries Program

The department was required to present a program of potential industry work programs to the 46th legislature. As a result of that proposal, the legislature authorized an industries program which includes printing, upholstery, furniture manufacturing and refinishing, and wood products such as post, poles, and picnic tables.

To fund this program, the legislature approved \$221,500 in general fund for start-up costs. Of this, \$17,500 will be repaid in fiscal 1983 from revenue derived from industry products. The remaining general fund is to be repaid in future bienniums from industry revenues. The legislature authorized 5.0 FTE each year for the industries program. Four FTE work directly at the industries program, and one industries coordinator position is assigned to the central office. The industries revolving account is to fund the salary and associated operating expenses of the industries coordinator.

The department requested a building expansion to house proposed industries. This proposal was examined and denied by the legislature due to the unproven nature of the industries program. Instead, the legislature reduced the number of industries started to fit within the available facilities.

Prison Canteen

The legislature approved \$500,990 spending authority over the biennium for the prison canteen revolving account. Prior to this time, the cash was deposited in local banks and did not appear on the statewide budgeting and accounting system (SBAS) financial reports. Due to an audit exception, revolving account spending authority was requested by the prison and approved by the legislature.

Supplemental Appropriation

The legislature authorized a \$1,277,627 general fund supplemental for the prison. The areas of deficit and amounts in each area are detailed below:

Personal Services - \$884,200

The personal services deficit is due primarily to:

1. 27.0 FTE above the appropriated level being added by the governor during the biennium. Salaries and benefits for these positions were not included in the budget and thus required deficit spending.

2. During the 1981 biennium, the prison was required to staff Powell county hospital on a one to one staff-to-prisoner ratio. The overtime incurred due to this hospital requirement increased the prison personal service deficit.

3. Vacancy savings calculated in last biennium's budget was not realized by the prison.

Contracted Services - \$375,969

In last biennium's budget, it was anticipated that medical coverage would be provided by doctors from Galen. For this reason no funds for physicians were included in the 1981 biennium budget. In April, 1980 this agreement was dissolved by Galen hospital. Private physicians were contracted with beginning in April, 1980.

Communications - \$1,171

A deficit in communications was due to unanticipated telephone rate increases.

Travel - \$8,712

A deficit in travel was due to unanticipated out-of-state trips to return parole violators and escapees.

Repair - \$7,575

A deficit in repairs was due to emergency repair of the food warehouse roof and the well pump and casing.

SWAN RIVER YOUTH FOREST CAMP

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 693,225	\$ 693,457	\$1,386,682
Appropriation	<u>639,110</u>	<u>648,792</u>	<u>1,287,902</u>
Approp. over(under) Exec.	<u>\$ (54,115)</u>	<u>\$ (44,665)</u>	<u>\$ (98,780)</u>
Percent over(under) Exec.	(7.8)	(6.4)	(7.1)
<u>Total Expenditures</u>			
FTE	26.33	26.33	
Executive Request	\$ 752,144	\$ 754,462	\$1,506,606
Appropriation	<u>734,883</u>	<u>744,872</u>	<u>1,479,755</u>
Approp. over(under)Exec.	<u>\$ (17,261)</u>	<u>\$ (9,590)</u>	<u>\$ (26,851)</u>
Percent over(under) Exec.	(2.3)	(1.3)	(1.8)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$1,118,593 ¹	\$1,287,902	15.1
Total Expenditures	1,378,092	1,479,755	7.4
Expend. With Pay Plan Est.	1,378,092	1,631,927	18.4
Ending Year FTE	25.33	26.33	(3.9)

¹Includes general fund supplemental of \$48,604.

The Swan river youth forest camp is a minimum security work camp for inmates transferred from the state prison who are between the ages of 18 and 26. The inmates work with the forestry division of the department of natural resources and are involved in several forestry projects such as thinning, seeding, planting trees, and campground and recreational area maintenance. The camp's capacity is 50 inmates.

Personal Services

The legislature approved 26.33 FTE for the Swan river camp which includes the addition of a substance abuse counselor. The counselor was previously on contract with the drug and alcohol division, but was working at the camp in the last biennium. The transfer will allow closer coordination with the existing counseling staff. The salary for this position comes from earmarked alcohol revenues.

A modified request for a 1.0 FTE vocational education director was not approved. This position was started with a grant from the office of public instruction and will not continue in the 1983 biennium.

Operating Expenses

Several adjustments were made to the base operating expense level.

1. Contracted services increased \$6,493 over the biennium for garbage pick-up because the health department has requested the Swan river youth forest camp dump be closed.

2. The repair and maintenance budget was increased over the current level by \$7,124 in fiscal 1982, and \$700 over current level in fiscal 1983 for one-time repairs as detailed below.

Authorized Repairs Over Current Level

	<u>FY82</u>	<u>FY83</u>
Roof Repair	\$ 300	
Septic Tank/Drain Field Expansion	3,974	
Replacement of 12 Broken Locks	950	\$200
Repair 2-Way Radios	500	500
Repair Oven	400	
Build Incinerator	<u>1,000</u>	<u> </u>
Total	\$7,124	\$700

3. Inmate Pay - The legislature authorized inmate pay to increase eight percent in fiscal 1982, and 8.5 percent for fiscal 1983. The amount budgeted for inmate pay totalled \$41,304 in fiscal 1982 and \$44,650 in fiscal 1983.

The legislature did not approve a request for an increase in contracted psychologist visits from bimonthly to weekly consultation.

Funding

Title I funding is projected to decrease approximately 16 percent per year. The approved budget includes general fund to support the current level education program. School lunch funds are anticipated to remain at current level, and totals \$25,000 in spending authority over the biennium. Total spending authority also includes \$29,400 per year from anticipated federal prisoners at Swan river. It is expected Swan will average two prisoners for the 1983 biennium at \$40 per day per prisoner.

Equipment

The equipment approved by the legislature totalled \$16,060 over the biennium, and is detailed below:

	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
Dryers (2)	\$ 2,200	
Dishwasher	3,500	
Lawn Mowers (3)	600	
Vehicle	5,000	
Fire Sprinkler System for Kitchen Range & Hood	1,500	
Stacking Chairs (60)		\$1,260
Contract Improvement Fund Purchases	<u>1,000</u>	<u>1,000</u>
Total	\$13,800	\$2,260

Supplemental Appropriation

The legislature authorized a general fund supplemental totalling \$48,604. The supplemental was authorized for the expenditure categories and amounts as shown below:

Personal Services	\$ 2,129
The deficit in personal services occurred because anticipated vacancy savings did not materialize.	
Contracted Services	8,907
Most of the deficit in contracted services is attributable to excessive medical costs.	
Supplies	15,461
The deficit in supplies is primarily due to the increased cost of food and gasoline. Due to Swan's remote location, substantial travel is required.	
Utilities	17,110
The deficit in utilities is due to the increased cost of fuel oil, Swan's only source of heat.	
Repairs	<u>4,997</u>
The repair deficit was due to one-time expenditures for repair and recalibration of heating valves and thermostats.	
Total	\$48,604

MONTANA VETERANS' HOME

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 639,257	\$ 641,329	\$1,280,586
Appropriation	<u>486,575</u>	<u>476,033</u>	<u>962,608</u>
Approp. over(under) Exec.	<u>\$ (152,682)</u>	<u>\$ (165,296)</u>	<u>\$ (317,978)</u>
Percent over(under) Exec.	(23.9)	(25.8)	(24.8)
<u>Total Expenditures</u>			
FTE	61.08	61.08	
Executive Request	\$1,364,535	\$1,371,862	\$2,736,397
Appropriation	<u>1,200,575</u>	<u>1,203,533</u>	<u>2,404,108</u>
Approp. over(under) Exec.	<u>\$ (163,960)</u>	<u>\$ (168,329)</u>	<u>\$ (332,289)</u>
Percent over(under) Exec.	(12.0)	(12.3)	(12.1)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$ 727,217	\$ 962,608	32.4
Total Expenditures	2,112,642	2,404,108	13.8
Expend. With Pay Plan Est.	2,112,642	2,714,845	28.5
Ending Year FTE	49.13	61.08	24.3

The Montana veterans' home provides domiciliary and nursing care to honorably discharged veterans. The home may also admit, if space allows, spouses or surviving spouses of veterans.

Legislative Appropriation

In the 1981 biennium the general fund accounted for 34.4 percent of total funding for the veterans' home compared with 46.9 percent funding in the 1983 biennium. The increase in general fund support can be attributed to:

1. The institution was budgeted for an average daily population of 115 members, whereas veterans' administration reimbursement is based on 100 members.

2. Veterans' administration and private pay reimbursements will not keep pace with inflation, requiring a greater amount of general fund participation.

The legislative appropriation to the veterans' home is \$332,289 below the executive request for the 1983 biennium. The executive requested 7.67 more FTE than the legislature funded. The legislature authorized 11.95 FTE over the 1981 level to bring the home up to veterans' administration standards. The additional positions are:

- 1.00 - Physical Therapist Technician
- 1.00 - Social Worker Activities Director
- 4.00 - Support Services Personnel
- 7.28 - Direct Care Positions

One laundry worker and a .33 FTE farmhand were deleted. The home was also authorized \$48,542 to have its laundry services done by a private laundry and \$15,678 to contract for medical, dental and dietary services.

Population

The Montana veterans' home was budgeted for an average daily population of 115 members; 40 in the nursing home and 75 in the domiciliary. It is legislative intent that the annex and second floor of the old domiciliary not be used as residential living areas. Both areas are in need of major repairs and will not meet fire and life safety codes.

Other Funding Sources

The legislature authorized \$1,441,500 of other funds for the 1983 biennium; \$8,500 interest and income, \$558,000 veterans' administration reimbursement (based on \$12.10 per day for nursing care and \$6.35 per day for domiciliary care) and \$875,000 of third party reimbursement funds. Veterans' administration reimbursement was based on 100 members being eligible for veterans' benefits.

Equipment

Equipment purchases in the amount of \$37,939 for fiscal 1982 and \$10,312 in fiscal 1983 were authorized. Some of the major equipment purchases are:

	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
10 Electric Beds	\$ 8,000	\$ 8,000
24 Geriatric Chairs	1,860	1,860
Floor Buffer	1,180	
Riding Mower with Snow Blower	6,300	
Van with Hoist	12,875	
Hydraulic Lift	2,800	
Electrocardiograph	1,500	
Typewriter	932	
Other	<u>2,492</u>	<u>452</u>
Total	\$37,939	\$10,312

Supplemental Appropriation for the 1981 Biennium

In the 1981 biennium the Montana veterans' home received a \$366,119 general fund supplemental to upgrade services to the members. Over the years members residing in the domiciliaries, who were able to live independently, gradually deteriorated through the normal aging process and were not as able to care for themselves. The supplemental was for the following areas:

1. Personnel Services - \$264,846 to hire an additional 17.2 staff.
2. Contracted Services - \$24,372 for increased medical care and laundry services.
3. Supplies and Materials - \$18,366 to upgrade the quality of meals and provide a more appropriate diet to the members.
4. Utilities - \$54,858 to cover unanticipated utility increases.
5. Communications - \$277 for increased telephone rates.
6. Rent - \$1,615 for a copy machine contract.
7. Other Expenses - \$1,785 for miscellaneous expenses associated with upgrading living conditions in the men's domiciliary.

It is legislative intent that if the veterans' administration or third party reimbursements exceeds the fiscal 1981 appropriations, the excess revenues will be deposited in the state general fund.

WARM SPRINGS STATE HOSPITAL

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$11,709,642	\$11,962,612	\$23,672,254
Appropriation	<u>11,182,794</u>	<u>11,390,319</u>	<u>22,573,113</u>
Approp. over(under) Exec.	\$ (526,848) =====	\$ (572,293) =====	\$(1,099,141) =====
Percent over(under) Exec.	(4.5)	(4.8)	(4.6)
<u>Total Expenditures</u>			
FTE	487.99	487.99	
Executive Request	\$11,867,913	\$12,131,072	\$23,998,985
Appropriation	<u>11,363,260</u>	<u>11,580,385</u>	<u>22,943,645</u>
Approp. over(under) Exec.	\$ (504,653) =====	\$ (550,687) =====	\$(1,055,340) =====
Percent over(under) Exec.	(4.3)	(4.5)	(4.4)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$21,667,490	\$22,573,113	4.2
Total Expenditures	22,250,593	22,943,645	3.1
Expend. with Pay Plan Est.	22,250,593	25,883,484	16.3
Ending Year FTE	514.20	487.99	(5.1)

Warm Springs state hospital provides individualized evaluation and intensive psychiatric treatment for youth and adults who are, or may be, seriously mentally ill.

Legislative Appropriation

The 1981 legislature consolidated selected medical and administrative services between Warm Springs and Galen state hospitals. The department of institutions proposed and the legislature agreed that these two separate institutions could be managed by a central organization. This system should

result in upgrading the hospitals and making them more efficient and effective. (See the Galen state hospital writeup.)

The legislature authorized \$162,948 of general fund over the biennium to increase salaries for qualified physicians and psychiatrists. The increased salaries should allow Warm Springs to attract and retain fully licensed physicians and psychiatrists.

Staffing

Warm Springs direct care staff was maintained at the same ratio of staff to patients as authorized by the 1981 legislature:

Registered Nurses	1:11
Licensed Practical Nurses	1:6.4
Psychiatric/Special Duty Aides	1:1.9

The above ratios will allow for 28.64 RNs, 49.22 LPNs and 165.80 aides (243.66 direct care workers for 315 patients). Due to less patients the direct care staff was decreased by 2.51 FTE from the fiscal 1981 level. Due to reorganization and consolidation of medical and administrative services 15.7 FTE were deleted, 10 FTE were transferred to Galen and two new positions (rehabilitation aide and machinist) were added to the staffing pattern of Warm Springs.

Population

In fiscal 1980 Warm Springs had an average daily population (ADP) of 327 residents and is expected to have an ADP of 315 for fiscal 1981. The facility is budgeted for an ADP of 315 residents for the 1983 biennium.

Equipment

Warm Springs was authorized \$57,167 in fiscal 1982 and \$65,947 in fiscal

1983 to purchase equipment. The major equipment purchases are:

	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
2 Station Wagons	\$ 9,000	\$ 9,000
1 Sedan		7,000
1 Van		12,000
1 Pick-up	7,500	
1 Flatbed Truck	7,000	
14 Refrigerators	4,883	5,372
10 Washing Machines	3,190	3,508
2 Convection Ovens	3,750	3,900
1 Regular Oven	2,750	
9 Electric Ovens	1,980	1,744
5 Gas Ranges	1,888	872
Video Tape System	1,600	
Laundry Costs	4,560	
Arc Welder	2,050	4,400
Hobart Mixer		
Weed Burner	850	
Ice Maker	1,200	
Sewer Roder		2,850
2 Water Coolers		1,800
8 Typewriters	3,368	3,700
Lawn Tractor		7,547
Other	<u>1,598</u>	<u>2,254</u>
Total	\$57,167	\$65,947

Supplemental Appropriation for the 1981 Biennium

In fiscal 1981 Warm Springs received a general fund supplemental of \$1,492,507 to be used in the following areas:

1. Personal Services - \$948,935 was for increased workers' compensation charges costing \$462,582 and budgeted vacancy savings of \$486,353 which were not realized.

2. Contract Services - \$14,567 was for additional dental services provided to patients.

3. Supplies and Materials - \$105,751 additional funding was required for food, pharmaceuticals, X-ray and gasoline.

4. Communications - \$2,020 was for increased phone costs.

5. Travel - \$5,399 was for patient related travel.

6. Utilities - \$385,441 was for increased Montana power charges.

7. Equipment - \$30,394 was to purchase a bus used for over-the-road transportation of residents.

BOARD OF PARDONS

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$113,968	\$115,137	\$229,105
Appropriation	<u>102,242</u>	<u>102,106</u>	<u>204,348</u>
Approp. over(under) Exec.	<u>\$(11,726)</u>	<u>\$(13,031)</u>	<u>\$(24,757)</u>
Percent over(under) Exec.	(10.3)	(11.3)	(10.8)
FTE	3.5	3.5	
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$188,175 ¹	\$204,348	8.6
Expend. With Pay Plan Est.	188,175	226,484	20.4
Ending Year FTE	3.5	3.5	0.0

¹Includes general fund supplemental totalling \$19,219.

The board is a three member body which has the power to grant parole and make recommendations to the governor concerning executive clemency.

The legislature maintained the board of pardons budget at current level except for the following areas:

1. Per diem - The legislature approved additional per diem totalling \$1,375 general fund each year. The additional per diem allows each board member to attend eight additional parole hearings and funds the chairman of the board for an additional 47 days per year to attend legislative and departmental meetings.

2. Contract Services - Contract services were substantially increased to allow a court reporter to transcribe hearings. The legislature denied a request for an additional .5 FTE secretary because the current secretary would no longer have to transcribe hearings.

3. Travel - Out-of-state travel was reduced by \$5,000 each year because it was found that parole hearings for out-of-state inmates could be conducted by hearing officers in the state where the prisoner is located.

Supplemental Appropriation

A general fund supplemental totalling \$19,219 was authorized by the legislature. The deficit line items are shown below:

Personal Services - This deficit was due to increasing the board's staff by a .5 FTE to transcribe parole hearings.	\$13,321
Travel - This deficit is due to the increased number of out-of-state inmate parole hearings.	5,564
Equipment - A deficit of \$334 was incurred for the purchase of a typewriter. These funds were matched with crime control funds.	<u>334</u>
Total Deficit	\$19,219

BOARD OF PUBLIC EDUCATION

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$241,938	\$248,118	\$490,056
Appropriation	<u>257,582</u>	<u>252,426</u>	<u>510,008</u>
Approp. over(under) Exec.	<u>\$ 15,644</u>	<u>\$ 4,308</u>	<u>\$ 19,952</u>
Percent over(under) Exec.	6.5	1.7	4.1
<u>Total Expenditures</u>			
FTE	8.00	8.00	8.00
Executive Request	\$276,769	\$274,449	\$551,218
Appropriation	<u>257,582</u>	<u>252,426</u>	<u>510,008</u>
Approp. over(under) Exec.	<u>\$(19,187)</u>	<u>\$(22,023)</u>	<u>\$(41,210)</u>
Percent over(under) Exec.	(6.9)	(8.0)	(7.5)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$405,771	\$510,008	25.7
Total Expenditures	430,417	510,008	18.5
Expend. With Pay Plan Est.	430,417	566,265	31.6
Ending Year FTE	7.00	8.00	

The appropriation to the board of public education is totally general fund and includes board travel and per diem, office administration and the fire service training school.

Board of Public Education

The board of education is funded at current level plus \$1,200 per year to provide travel for the student representative on the board. The board will be provided office space free of charge in the building leased by the

state and paid from the appropriation to the commissioner of higher education.

Fire Services Training School

The fire service training school is located in Great Falls. It has been continued at current level with the addition of one FTE at a biennium cost of \$61,162 general fund. This is a regional representative located in eastern Montana. Due to the travel involved the training needs of eastern Montana fire departments should be better addressed by an eastern representative.

The fire service training school is to be provided office, storage, and classroom space, inclusive of weekend janitorial services in the Great Falls vocational-technical center at no charge.

OFFICE OF PUBLIC INSTRUCTION

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 1,850,271	\$ 2,060,922	\$ 3,911,193
Appropriation	<u>1,783,647</u>	<u>1,858,467</u>	<u>3,642,114</u>
Approp. over(under) Exec.	\$ (66,624) =====	\$ (202,455) =====	\$ (269,079) =====
Percent over(under) Exec.	(3.6)	(9.8)	(6.9)
<u>Total Expenditures</u>			
FTE	154.10	154.10	
Executive Request	\$ 5,416,284	\$ 5,640,197	\$11,056,481
Appropriation	<u>5,004,091</u>	<u>5,152,418</u>	<u>10,156,509</u>
Approp. over(under) Exec.	\$ (412,193) =====	\$ (487,779) =====	\$ (899,972) =====
Percent over(under) Exec.	(7.6)	(8.6)	(8.1)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$ 3,259,052	\$ 3,642,114	11.8
Total Expenditures	10,626,523	10,156,509	(4.4)
Expend. With Pay Plan Est.	10,626,523	11,141,101	4.8
Ending Year FTE	165.10	154.10	(6.7)

The new superintendent of public instruction submitted budget revisions to the legislature. These revisions were considered in developing the office's budget.

The legislature continued programs previously funded entirely with general fund at current level. Other programs are continued based on federal revenue estimates received from the office of public instruction. General funds are not used to replace declining federal funds. This results in an overall reduction of 11 FTE.

Federal funds for special education administration increase from \$200,000 per year to \$300,000 per year for the 1983 biennium. This reduces general fund support needed to continue this program at current level.

The revolving account for the school food distribution program has changed and approximately \$300,000 of spending authority utilized in fiscal 1980 is no longer continued in the office of public instructions operation. The revolving account is now used only for distribution costs of private schools. The distribution costs for public schools are payed directly from the general fund appropriation for the school foods program.

Expanded Services

The legislature approved general fund of \$67,281 for a consultant and a secretary in the office of public instruction to assist gifted and talented programs around the state. General fund of \$200,000 for the biennium is appropriated to the office of public instruction by HB 568. This is to provide grants for gifted and talented children programs operated by school districts. These funds may not be used for administration.

The audio-visual library is currently supported entirely by a fee charged to the school district when renting films. Because of increasing costs, a fee increase would be needed in the 1983 biennium to keep the amount of films distributed at current level. To offset this increase \$50,000 general fund per year is appropriated by the legislature to purchase films and equipment. This makes the biennial appropriation for the library \$438,437 excluding pay increases.

Audit costs of \$50,000 general fund are included in fiscal year 1983.

Indirect Cost Funds

The superintendent finances budget and accounting, internal services and personnel services through a charge applied against federal programs. The charge is a percentage of the federal grant. In fiscal 1980, the rate was 27.88 percent; in fiscal 1981 it was 25.8 percent. The anticipated rate used for fiscal 1982 and fiscal 1983 is 23.5 percent. This rate is negotiated between the federal government and the superintendent's office. The legislature is concerned that the superintendent try to maximize the allowable indirect cost rate in order to relieve the cost impact on the general fund.

Language is included in HB 500 that requires a reversion of general fund if indirect cost reimbursement in excess of that anticipated by the legislature is received.

Purchase of Building

The state is going to purchase the building currently being used by the office of public instruction at 1300 eleventh avenue. A line item in HB 500 identifies the rent costs for the building in the office of public instruction's appropriation. Language is included to require a reversion of rent funds not needed after the building is purchased.

Program Structure

The legislature requests the office of public instruction to submit operational plans to the office of budget and program planning organized into six programs. The six programs are chief state school officer, basic instructional skills, vocational education, financial services, administrative services and special education. This will provide a clearer picture of the office of public instruction's activity in the 1983 biennium.

TRANSPORTATION

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$4,429,800	\$5,094,270	\$9,524,070
Appropriation	<u>4,724,445</u>	<u>5,019,250</u>	<u>9,743,695</u>
Approp. over(under) Exec.	<u>\$ 294,645</u>	<u>\$ (75,020)</u>	<u>\$ 219,625</u>
Percent over(under) Exec.	6.7	(1.5)	2.3
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$7,914,000 ¹	\$9,743,695	23.1

¹Includes \$505,000 general fund supplemental.

House bill 655 increased the state transportation reimbursement rates. The state pays one-third of the cost of transportation allowed in the schedules or two-thirds in the case of special education. The rates are:

Bus

Fiscal 1981 - \$.55 per mile plus \$.02 per mile for each seat over 50

Fiscal 1982 - \$.60 per mile plus \$.025 per mile for each seat over 50

Fiscal 1983 - \$.65 per mile plus \$.025 per mile for each seat over 50

Individual

Fiscal 1981 - 18¢ per mile

Fiscal 1982 - 20¢ per mile

Fiscal 1983-- 20¢ per mile

Room and Board Reimbursement

Fiscal 1981 - one eligible transportee \$4 per diem rate and \$2 for each additional eligible transportee of the same household.

Fiscal 1982 and 1983 - one eligible transportee \$5 per diem rate and \$3 for each additional eligible transportee of the same household.

The appropriations for fiscal 1980 and 1981 were not enough to fully fund the formula generated reimbursement amounts. This deficiency was the result of an increase in the number of buses and miles traveled. The school districts had to absorb the deficiency in fiscal 1980. However, in fiscal 1981 the legislature appropriated a \$505,000 general fund supplemental to offset the deficiency.

SCHOOL LUNCH

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 863,517	\$ 926,553	\$1,790,070
Appropriation	<u>731,494</u>	<u>807,449</u>	<u>1,538,943</u>
Approp. over(under) Exec.	\$ (132,023) =====	\$ (119,104) =====	\$ (251,127) =====
Percent over(under) Exec.	(15.3)	(12.9)	(14.0)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$1,316,895	\$1,538,943	16.9

The state participates in a federal reimbursement program for school food services. The state matches each federal dollar with three state dollars. This matching requirement is reduced if the states per capita income is less than the national average. This reduction translates into a state revenue multiplication factor.

The number of lunches served, cost per meal allowed by the federal government and the state revenue multiplication factor stated below are combined to determine the states total matching requirements for the 1983 biennium.

	<u>Number of Meals</u>	<u>Average Cost Per Meal Federal Reimbursement</u>	<u>State Revenue Multiplication Factor</u>
Fiscal 1982	15,499,569	18 1/4¢	.2586
Fiscal 1983	15,809,560	19 3/4¢	.2586

ADULT BASIC EDUCATION

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$112,000	\$112,000	\$224,000
Appropriation	<u>121,881</u>	<u>132,851</u>	<u>254,732</u>
Approp. over(under) Exec.	\$ 9,881 =====	\$ 20,851 =====	\$ 30,732 =====
Percent over(under) Exec.	8.8	18.6	13.7
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$214,585	\$254,732	18.7

Adult basic education is mainly to give people over the age of 16 an opportunity to complete their high school education by studying for the general education development (GED) test.

The legislature continued state support at current level using a nine percent increase each year from fiscal 1980 through fiscal 1983.

School districts can levy up to one mill to support adult education.

SECONDARY VOCATIONAL EDUCATION

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 750,000	\$ 750,000	\$1,500,000
Appropriation	<u>750,000</u>	<u>750,000</u>	<u>1,500,000</u>
Approp. over(under) Exec.	-0- =====	-0- =====	-0- =====
Percent over(under) Exec.	0.0	0.0	0.0
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$1,500,000	\$1,500,000	0.0

The 46th legislature appropriated \$1.5 million through HB 537 in the 1981 biennium to expand secondary vocational educational funding. This amount is over and above the funds provided for secondary vocational education through the foundation program. The 47th legislature again appropriated \$1.5 million for the 1983 biennium.

House bill 618 provides the mechanism to allocate the \$1.5 million general fund appropriation to the school districts.

TRAFFIC AND SAFETY EDUCATION

All revenues received in the state traffic education account under provision of 20-7-504, MCA are appropriated to be distributed as provided in section 20-7-406, MCA. In the 1981 biennium these revenues were collected from highway patrol fines, city and county fines (except parking violations) and driver license fees.

House bill 675 exempts cities and counties from contributing to the traffic education account in the 1983 biennium. It also increases the portion of fines contributed to the account from fines collected by highway patrol officers or department of highways peace officers.

Revenue estimates for the traffic education account are \$1,088,119 in fiscal 1982 and \$1,153,406 in fiscal 1983.

PUBLIC SCHOOLS

Foundation and Permissive (Including Special Education Contingency)

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$	\$35,213,480	\$35,213,480
Appropriation	<u>40,223,535</u>	<u>42,818,453</u>	<u>83,041,988</u>
Approp. over(under) Exec.	<u>\$40,223,535</u> =====	<u>\$ 7,604,973</u> =====	<u>\$47,828,508</u> =====
Percent over(under) Exec.		21.6	135.8
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$78,303,750	\$83,041,988	6.1

Public school maximum-budget-without-a-vote schedules are increased 18 percent to fiscal 1982 and 15 percent to fiscal 1983 in HB 610. Funding for this increase is continued in HB 611. The large increase in state public school support granted this session is designed to lower the portion of the districts' general fund budgets that are raised through voted levies. In fiscal 1981 approximately one-third of public school general fund revenues came from voted levies.

Special Education

Appropriations for special education are contained in HB 500. These allow a ten percent increase to fiscal 1982 and nine percent increase to fiscal 1983 for district special education programs. In addition, \$1,000,000 is appropriated as an emergency contingency fund as was done in the last biennium. This contingency fund is to help districts that have unanticipated additions to special education case loads.

The superintendent is allowed to contract for audiological services to a maximum of \$688,614 in fiscal 1982 and \$750,589 in fiscal 1983. It is anticipated that part of this will be contracted to the department of health. This arrangement should bring savings in the future as the department of health may more efficiently carry out audiological screening. House bill 819 removed a requirement that these services be contracted to local school districts.

Revenues

Revenues to support the maximum-general-fund-budget-without-a-vote for public schools include 25 and 15 mill statewide county levies, nine and six mill district property tax levies, earmarked portion of personal income, corporation income and coal taxes, income from public school lands and interest on the public school permanent fund. In addition the 1983 biennium begins with \$42.88 million of unexpended funds accumulated during the 1981 biennium in the school foundation account. Table 1 summarizes revenues and expenditures. As the table illustrates approximately \$15.78 million more funding has been provided than estimates indicate will be necessary. This provides a buffer in case the revenues used in calculating available school support are not realized.

Table 1
Public School Funding
(X \$1 Million)

	<u>FY 1982</u>	<u>FY 1983</u>
Maximum-General-Fund-Without-A-Vote		
Regular Programs	221.30	248.95
Special Education	<u>24.44</u>	<u>26.60</u>
Total Cost	245.74 =====	275.55 =====
County Equalization		
40 Mill Levy ¹	82.57	91.10
Forest Funds	2.80	2.50
Grazing Funds	.15	.15
Elementary Transportation	(2.57)	(2.73)
High School Tuition	<u>(1.75)</u>	<u>(1.94)</u>
Total County Equalization	81.20	89.08
State Equalization		
25% Income Tax	31.17	33.88
25% Corporate Tax	10.52	11.58
10% Coal Tax	4.81	5.50
Interest and Income	37.99	38.37
U.S. Oil and Gas	6.80	7.20
Coal Trust Interest	<u>2.15</u>	<u>2.54</u>
Total State Equalization	93.44	99.07
District Share Permissive(94.6 mills)	23.50	24.86
Account Balances Used	<u>23.16</u>	<u>19.72</u>
Total Nongeneral Fund	221.30	232.73
General Fund		
HB 611		32.00
HB 500	24.44	26.60
Total General Fund	<u>24.44</u>	<u>58.60</u>
Total Funding	245.74 =====	291.33 =====
Anticipated General Fund Reversion		15.78 =====

¹County surplus included in county equalization.

Property Taxes

Property taxes provide a considerable share of the support for public school equalization. Several laws passed this session affected the property tax base against which mill levies are applied. The major impact on state expenditures occurs as property tax revenues to county equalization (40 mills) and permissive (15 mills) are changed. Any reduction in these revenues once schedules have been determined requires a like amount of general fund to replace the lost revenue. Major property tax laws and their affects on public school revenues are listed below.

Table 2
Property Tax Legislation
(figures in millions)

<u>Bill</u>	-----Fiscal 1982-----		-----Fiscal 1983-----	
	<u>40 Mill</u>	<u>15 Mill</u>	<u>40 Mill</u>	<u>15 Mill</u>
SB 47 Livestock	1.70	.25	1.70	.25
SB 200 Oil Net Proceeds	<u>3.32</u>	—	<u>9.60</u>	—
Total	5.02	.25	11.30	.25

Public School Funding Changes - Deficiency Levies Abolished

Senate bill 98 eliminates deficiency levies. They are replaced by allowing for single sum biennial appropriations and supplemental appropriations if funds are found to be inadequate. This bill also eliminates 20-9-345 MCA which exempts public school funding from 17-2-108 MCA requiring the expenditure of nongeneral fund money first. This appears to allow general fund reversions if the appropriation is more than needed. In the past general fund was expended first resulting in large balances accumulating in public school accounts and no general fund was reverted.

Senate bill 377 consolidates the permissive and equalization accounts into one account for public school equalization. This eliminates the possibility of a deficiency in either the permissive or the equalization account when there are surplus funds available in one of the accounts. This situation has occurred in previous years.

Study Requested

House joint resolution 34 requests a study of financing public education in Montana. The resolution cites that legal action is being considered to determine if current funding meets requirements of the Montana Constitution. Special attention is to be given for ways to relieve pressure on local voted levies and to determine the cost of financing basic educational requirements a district must meet for accreditation.

VOCATIONAL EDUCATION CENTERS

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 4,498,260	\$ 5,110,451	\$ 9,608,711
Appropriation	<u>4,415,877</u>	<u>5,020,947</u>	<u>9,436,824</u>
Approp. over(under) Exec.	\$ (82,383) =====	\$ (89,504) =====	\$ (171,887) =====
Percent over(under) Exec.	(1.8)	(1.8)	(1.8)
<u>Total Expenditures</u>			
FTE	N/A	N/A	
Executive Request	\$ 7,167,200	\$ 7,807,672	\$14,974,872
Appropriation	<u>7,163,701</u>	<u>8,072,948</u>	<u>15,236,649</u>
Approp. over(under) Exec.	\$ (3,499) =====	\$ 265,276 =====	\$ 261,777 =====
Percent over(under) Exec.	(.0)	3.4	1.7
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$ 7,614,780	\$ 9,436,824	23.9
Total Expenditures	12,316,266	15,236,649	23.7
Ending Year FTE	N/A	N/A	

¹Includes general fund supplemental of \$235,645.

There are five post secondary vocational education centers in the state. They are located in Billings, Butte, Great Falls, Helena and Missoula.

The legislature developed a formula approach to determine the budgets of the five centers. This was in response to perceived inequities in the current budget distribution. The main emphasis of this formula is to have a center's budget be somewhat reflective of its enrollment. Each center's

budget is divided into instruction and support services. Support services are: administration, instructional support and supervision, student services, plant operation and maintenance and equipment. The support service costs are treated as fixed costs and increased with inflation factors. Instructional costs are generated by FTE enrollment. A projected number of FTE for each year of the biennium is multiplied by a calculated instructional cost per FTE for each year. The support services cost and the instructional cost are added together to get each center's total budget. Table 1 below shows the estimated FTE enrollments used to project the instructional portion of each centers budget and the instructional cost per FTE student. The estimates of FTE enrollment were kept constant for each center from fiscal 1981 through fiscal 1983.

Table 1
Estimated FTE Enrollment and Budget
Instructional Cost per FTE

	<u>Enrollment</u>	<u>--Instructional Cost--</u>	
		<u>1982</u>	<u>1983</u>
Billings	638	\$1,454	\$1,584
Butte	426	1,454	1,584
Great Falls	596	1,454	1,584
Helena	868	1,454	1,584
Missoula	<u>720</u>	1,454	1,584
Total	3,248		
	=====		

The instructional cost per FTE for each year is the same for each center. These amounts are \$1,454/FTE in fiscal 1982 and \$1,584/FTE in fiscal 1983. Some centers are currently above these costs and others below them. The centers that are above the cost per FTE would have reductions

in their budgets while the ones below the cost per FTE would receive increases.

It is not the legislature's desire either to give an inordinate increase or drastically reduce any center's budget. This results in parameters being used to maintain reasonable budget levels at the centers. No center was appropriated an increase greater than 15 percent or lower than ten percent each year of the biennium above their 1981 fiscal year appropriated level. Billings, Great Falls and Helena received 15 percent increases for each year of the biennium. Butte received a 11.8 percent increase for fiscal year 1982 and a ten percent increase for fiscal 1983. Missoula received ten percent increases for each year of the biennium.

Other significant features of the appropriations for vocational-technical centers are:

1. Butte center receives \$50,688 general fund for a summer school program in fiscal 1983.
2. The office of budget and program planning is appropriated \$44,000 general fund to be distributed if CETA funds utilized by the Billings center are unavailable in fiscal 1982.
3. Audit costs of \$71,000 general fund are included for the biennium.
4. The appropriation contains pay plan increases.
5. Included in other appropriated funds are federal funds, student fees and millage.

Other Funds

In order for the student fees to meet the appropriated fee revenue it will be necessary for in-state student tuition to be raised from \$80 per quarter currently to \$100 per quarter in fiscal 1982 to \$120 per quarter in fiscal 1983.

The legislature appropriated federal funds of \$1,200,000 in fiscal 1982 and \$1,308,000 in fiscal 1983.

The receipt of state funds appropriated to the centers is contingent upon each county in which the center resides levying 1.5 mills each fiscal year. The appropriated millage is \$765,101 in fiscal 1982 and \$804,733 in fiscal 1983. The millage is underestimated by eight percent each year to allow for delinquent and protested taxes. Language is included in HB 500 to revert a like amount of general fund if any millage is received above these estimates.

The legislature allows the superintendent of public instruction to transfer funds between personal services, operations and equipment within each vocational-education center or between vocational education centers. The intent is that these appropriated funds will not provide for salary increases at the vocational education centers above the state pay plan for fiscal 1982 or 1983.

Interim Study

House joint resolution 46 requests the legislative finance committee to study the funding and the laws pertaining to post secondary vocational technical centers.

MONTANA ADVISORY COUNCIL FOR VOCATIONAL EDUCATION

	Fiscal 1982	Fiscal 1983	Biennium 1983 Totals
<u>Total Expenditures</u>			
Executive Request	\$ 94,000	\$ 94,000	\$188,000
Appropriation	<u>94,000</u>	<u>94,000</u>	<u>188,000</u>
Approp. over(under) Exec.	-0- =====	-0- =====	-0- =====
Percent over(under) Exec.	0.0	0.0	0.0
	1981	1983	Percent
<u>Biennial Comparison</u>	<u>Biennium</u>	<u>Biennium</u>	<u>Increase</u>
Total Expenditures	\$175,410	\$188,000	7.2
Expend. With Pay Plan Est.	175,410	200,516	14.3
Ending Year FTE	2.0	2.0	0.0

Federal law requires the state to have an advisory council for vocational education in order to receive federal vocational education money. The advisory council for vocational education has appropriation authority for all federal funds anticipated in the 1983 biennium.

In the 1981 biennium the council anticipated and received legislative authority for \$150,000 of federal funds. Additional funds became available and spending authority was obtained by budget amendment. The additional funds will be used to increase monitorings of vocational education evaluations and provide more technical assistance to local advisory committees.

STATE LIBRARY COMMISSION

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 420,973	\$ 452,088	\$ 873,061
Appropriation	<u>355,772</u>	<u>417,771</u>	<u>773,543</u>
Approp. over(under) Exec.	\$ (65,201) =====	\$ (34,317) =====	\$ (99,518) =====
Percent over(under) Exec.	(15.5)	(7.6)	(11.4)
<u>Total Expenditures</u>			
FTE	25.50	25.50	
Executive Request	\$1,133,739	\$1,201,102	\$2,334,841
Appropriation	<u>1,195,566</u>	<u>1,300,565</u>	<u>2,496,131</u>
Approp. over(under) Exec.	\$ 61,827 =====	\$ (99,463) =====	\$ 161,290 =====
Percent over(under) Exec.	5.5	(8.3)	(6.9)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$ 679,750	\$ 773,543	13.8
Total Expenditures	2,113,690	2,496,131	18.1
Expend. With Pay Plan Est.	2,113,690	2,637,709	24.8
Ending Year FTE	24.50	25.50	4.1

Total expenditures at the state library commission increase 24.8 percent over the previous biennium. The general fund increases 25.1 percent when pay plan is included. Earmarked coal funds are used to finance part of the state library operations.

Personal Services

The appropriation to the state library commission funds all current level positions and adds \$48,867 in the 1983 biennium for a coordinator of volunteer services in the library's blind and physically handicapped program. This

position was added primarily to facilitate the recording and distribution of library books and materials of state and regional interest to blind and physically handicapped patrons of the state library.

Operating Expenses

All current level operations of the library commission are funded. In addition, \$20,000 general fund is appropriated for the biennium to cover the costs of relocating to the new law and justice building. This one-time appropriation does not increase the state's maintenance of effort level which must be maintained to receive federal funds. The appropriation also includes sufficient funds to pay increased rent expense incurred as a result of relocating beginning in fiscal 1983.

The appropriation includes \$82,125 for membership and operation of the Washington Library Network (WLN). WLN is a computerized system of inter-library loan and shared cataloging. WLN will be operated with existing staff.

Coal Severance Tax

Section 15-35-108 (2)(i) MCA allocates a portion of the coal severance tax to the state library commission for grants to the library federations and for participation in regional and national networking systems. The appropriation includes \$77,300 in fiscal 1982 and \$73,549 in fiscal 1983 from earmarked coal funds for networking operations at the state library. Networking operations at the state library include expenditures for WLN, the Pacific Northwest Bibliographic Center (PNBC), all other earmarked funds generated in excess of the amounts specifically appropriated for networking are available for grants to the library federations. The table below shows the increase in, and expenditures of coal severance tax funds for fiscal 1980 through 1983.

Coal Tax Funds

<u>Fiscal Year</u>	<u>Grants</u>	<u>Networking Operations</u>	<u>Total Funds</u>
1980 Actual	\$383,568		\$383,568
1981 Appropriation	367,000		367,000
1982 Appropriation	403,700	\$77,300	481,000
1983 Appropriation	476,451	73,549	550,000

Total coal tax funds are anticipated to increase 37.3 percent in the 1983 biennium over 1981 biennium collections. Total funds available for federation grants are expected to increase 17.3 percent during the 1983 biennium.

HISTORICAL SOCIETY

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 800,498	\$ 825,605	\$1,626,103
Appropriation	<u>707,596</u>	<u>722,886</u>	<u>1,430,482</u>
Approp. over(under) Exec.	\$ (92,902) =====	\$(102,719) =====	\$ (195,621) =====
Percent over(under) Exec.	(11.6)	(12.4)	(12.0)
<u>Total Expenditures</u>			
FTE	40.25	40.25	
Executive Request	\$1,419,091	\$1,454,445	\$2,873,536
Appropriation	<u>1,374,444</u>	<u>1,404,157</u>	<u>2,778,601</u>
Approp. over(under) Exec.	\$ (44,647) =====	\$ (50,288) =====	\$ (94,935) =====
Percent over(under) Exec.	(3.1)	(3.5)	(3.3)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$1,054,503 ¹	\$1,430,482	35.7
Total Expenditures	2,630,733 ²	2,778,601	5.6
Expend. With Pay Plan Est.	2,630,733	3,012,543	14.5
Ending Year FTE	40.25	40.25	0.0

¹Contains \$45,839 supplemental appropriation.

²Contains \$459,947 budget amendments and continuing appropriations.

The appropriation to the historical society results in a 14.5 percent increase in total spending. Discounting 1981 biennium budget amendment expenditures, total spending increases 38.8 percent over the previous biennium. The general fund increases 50.8 percent when pay plan amounts are included.

The large increase in general fund is due to the state funding several modifications above the 1981 services.

Modifications

The appropriation funds several modifications to current level services.

1. Since 1974 the historical society has received funds from the army corps of engineers for the operation of the Libby dam visitor center. The corps currently funds portions of the director, business manager, accountant, and administrative assistant salaries (.75 FTE) through indirect cost reimbursement. The historical society and the corps have mutually agreed not to renew the Libby dam contract after June 30, 1981. As a consequence, indirect cost reimbursement will no longer be available to offset the general fund. This appropriation includes \$28,842 general fund to replace the loss of indirect cost revenues. The remaining 5.00 FTE associated with the Libby dam project were not funded for the 1983 biennium.

2. The appropriation includes \$13,552 general fund for payment of trustee per diem and travel expenses. These expenses are required by statute but were not paid previously.

3. The appropriation includes \$61,535 general fund to staff and operate the original governor's mansion (one FTE). The city of Helena terminated its lease with the State of Montana on the original governor's mansion on August 1, 1980. Since that date, the historical society has operated the mansion with funds received from the department of administration as well as supplemental funding provided by the legislature. The appropriation includes funding for a grade 13 curator.

4. The appropriation includes \$116,964 general fund to add two positions (curator and cataloger) and operating costs to the museum program

(two FTE). The additional positions are added to expedite the processing of the society's collections that are either not cataloged or incompletely cataloged.

5. The appropriation authorizes the expenditure of \$75,000 federal and private revenue each year of the biennium for the continuation of an educational outreach program. This program was initiated by budget amendment in fiscal 1980. This funding supports traveling exhibitions which will make the resources of the society available to schools and communities across Montana.

6. The appropriation includes \$43,600 to fund a photographic technician in the archives program. The cost of this position to the general fund is \$32,000 for the biennium. The remainder of the cost, \$11,600, will be funded from a revolving fund financed by charges to patrons of the historical society for photo reproduction services. The society already has the necessary equipment to support this position including water filtration counters, sinks, copy cameras, enlargers, safelights, lenses, and filters. This equipment was purchased with grant funds received for the processing of the Haynes collection.

7. The appropriation includes \$71,989 general fund support for Montana: The Magazine of Western History. This appropriation is premised on state support of 22.1 percent of program costs. Increased production costs will be borne proportionately by subscribers and the general fund.

The appropriation also includes \$20,000 spending authority in each fiscal year to permit the transfer and expenditure of profits generated by the merchandising program. These funds may be transferred to the museum program to fund artifact restoration and painting conservation.

Coal Tax Projects

The historical society is appropriated \$198,485 from coal tax funds earmarked for cultural and aesthetic projects. HB 871 appropriates \$108,485 for restoration of the capitol murals, and \$90,000 for an oral history project entitled "Montanans at Work". Both appropriations are for the biennium. The historical society will administer all other grants appropriated pursuant to HB 871.

Supplemental Appropriations

The historical society received supplemental appropriations for fiscal 1981 totalling \$59,839. The supplemental appropriations included \$11,320 to the publication program to cover unanticipated costs for producing the magazine, \$7,000 for the operation of the original governor's mansion, \$19,168 for the repayment of a rehabilitation loan for the original governor's mansion from the parks department of the city of Helena, and \$22,350 for rent in the veterans' and pioneers building.

MONTANA ARTS COUNCIL

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$120,399	\$120,996	\$241,395
Appropriation	<u>99,997</u>	<u>101,994</u>	<u>201,991</u>
Approp. over(under) Exec.	<u>\$(20,402)</u>	<u>\$(19,002)</u>	<u>\$(39,404)</u>
Percent over(under) Exec.	(16.9)	(15.7)	(16.3)
<u>Total Expenditures</u>			
FTE	4.0	4.0	
Executive Request	\$380,681	\$384,678	\$765,359
Appropriation	<u>351,692</u>	<u>358,546</u>	<u>710,238</u>
Approp. over(under)Exec.	<u>\$(28,989)</u>	<u>\$(26,132)</u>	<u>\$(55,121)</u>
Percent over(under) Exec.	(7.6)	(6.8)	(7.2)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$150,016	\$201,991	34.6
Total Expenditures	600,279	710,238	18.3
Expend. With Pay Plan Est.	600,279	740,078	23.3
Ending Year FTE	4.0	4.0	0.0

Total funding for the arts council increases 23.3 percent over the previous biennium. The general fund appropriation increases 44.6 percent when pay plan amounts are included. The larger increase in general fund is due to funding the artist-in-the-schools program.

Operations

The appropriation funds all current level operations. Administrative costs of the council and its staff are divided equally between general fund and federal funds.

Included in this appropriation is \$40,550 general fund to finance local community grants. The state grant funds are available to assist Montana communities to sponsor performances by touring art companies and to match available federal funds.

Artist-in-the-Schools

The general fund appropriation includes \$12,600 in fiscal 1982 and \$13,500 in fiscal 1983 to finance state participation in the "artist-in-the-schools" (AIS) program. AIS provides services through the public school system by placing artists from various fields in elementary and secondary schools across Montana. Currently, the program offers residencies for periods ranging from one week to an entire academic year in poetry and writing, visual arts, theater, and film and video. The AIS program has been operational for ten years. Prior to this session, the program was funded by grants from the national endowment for the arts as well as local community match. Approximately 200 schools currently participate in the program. The general fund support will permit the arts council to extend the program to an additional 20 to 25 schools across the state.

Montana Folklife Project

The arts council is appropriated \$51,849 for the biennium from coal tax funds earmarked for cultural and aesthetic projects (HB 871). These funds will provide continued financing for the Montana folklife project. The Montana folklife project is to identify, document, and present various aspects of Montana folklife and culture. Senate bill 458 authorizes the programmatic continuation of the folklife project through the 1983 biennium.

SCHOOL FOR THE DEAF AND BLIND

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$1,548,517	\$1,595,984	\$3,144,501
Appropriation	<u>1,501,843</u>	<u>1,540,847</u>	<u>3,042,690</u>
Approp. over(under) Exec.	\$ (46,674) =====	\$ (55,137) =====	\$ (101,811) =====
Percent over(under) Exec.	(3.0)	(3.5)	(3.2)
<u>Total Expenditures</u>			
FTE	98.05	98.05	
Executive Request	\$2,059,505	\$2,110,231	\$4,169,736
Appropriation	<u>2,012,831</u>	<u>2,055,094</u>	<u>4,067,925</u>
Approp. over(under)Exec.	\$ (46,674) =====	\$ (55,137) =====	\$ (101,811) =====
Percent over(under) Exec.	(2.3)	(2.6)	(2.4)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$2,639,727 ¹	\$3,042,690	15.3
Total Expenditures	3,878,415	4,067,925	4.9
Expend. With Pay Plan Est.	3,878,415	4,621,034	19.1
Ending Year FTE	96.05	98.05	2.1

¹Includes supplemental appropriations totalling \$266,228.

Total expenditures for the school for the deaf and blind increase 19.1 percent over the previous biennium. The general fund appropriation increases 36.2 percent when pay plan amounts are included. The general fund increase is due primarily to the loss or reduction of other funding sources for the school's interpreter-tutor and Title VI-C programs.

Personal Services

The appropriation adds two vocational teachers to the school's authorized staffing. These positions are funded with \$63,667 federal vocational education funds. The appropriation also provides general fund support for 8.10 FTE in the school's interpreter-tutor program, and 1.28 FTE in the Title VI-C deaf/blind program.

Pay raises are consistent with increases for all state employees. Compensation for contract teachers at parity with the Great Falls public school system was considered and rejected by the joint appropriation subcommittee on education.

Operations

The appropriation to the school for the deaf and blind maintains all current level operations.

The appropriation includes \$247,900 general fund to finance the school's interpreter-tutor program. During fiscal 1980, the interpreter-tutor program was funded jointly by federal vocational education funds, and special education funds received from the Great Falls school district number 1. These funds were eliminated prior to fiscal 1981. The school received a general fund supplemental appropriation of \$124,095 to fund the program during fiscal 1981. The appropriated level of funding will permit the school to maintain current level staffing and services. Approximately 50 students are currently participating in the program.

The appropriation includes \$52,352 general fund to finance a portion of the school's Title VI-C program. The Title VI-C program provides services to approximately 13 multihandicapped deaf/blind children on campus and to another 11 children residing at Boulder river school and hospital. The

general fund appropriation is in addition to federal funds, which have been declining since fiscal 1979 and which will lapse completely as of June 30, 1983. The school received \$20,133 in supplemental funding for fiscal 1981 to finance that portion of the Title VI C program not funded with federal funds.

Equipment

The appropriation includes \$20,000 for the phased replacement of the school's phonic ear equipment. The appropriation also includes \$5,700 for the purchase of a truck for the general services program.

Long Range Building

House bill 666 appropriated a total of \$5 million from the long range building bond and cash programs to finance the construction of two 40-bed cottages and a gymnasium.

Supplemental Appropriation

In addition to the supplemental appropriations for the interpreter-tutor and Title VI C programs, the school received additional funding to conduct a search for a new superintendent (\$5,000), for student travel (\$6,000), for superintendent termination pay (\$11,000), and for a payroll accrual (\$100,000). In total the school received \$266,228 in supplemental funding.

COMMUNITY COLLEGES

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$2,223,972	\$2,276,507	\$4,500,479
Appropriation	<u>2,493,459</u>	<u>2,643,923</u>	<u>5,137,382</u>
Approp. over(under) Exec.	<u>\$ 269,487</u>	<u>\$ 367,416</u>	<u>\$ 636,903</u>
Percent over(under) Exec.	12.1	16.1	14.2
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$4,020,838	\$5,137,382	27.8

The community college appropriation is based on a funding formula developed by the legislative finance committee. The formula is enrollment driven and generates funding for community colleges based on a calculated cost per full-time equivalent (FTE) student. The total unrestricted budget for the community colleges is determined by multiplying projected FTE enrollment by the cost per student. The enrollments and cost factors used to develop the 1983 biennium appropriations are shown below:

<u>Community College</u>	<u>Enrollment</u>		<u>Cost per Student</u>	
	<u>FY'82</u>	<u>FY'83</u>	<u>FY'82</u>	<u>FY'83</u>
Dawson	310	310	\$3,574	\$3,895
Flathead Valley	674	651	3,155	3,435
Miles	466	450	3,155	3,435

The cost per FTE represents an average level of expenditure for Montana's system of community colleges adjusted for inflation. This level of expenditure per FTE is consistent with the average expenditure per FTE for similar institutions in the western states.

The appropriation for Dawson community college is calculated using higher expenditure rates per FTE. This is done to phase Dawson onto the formula and avoid drastic reductions in services. Dawson's current expenditure per FTE is substantially higher than the other Montana community colleges.

The general fund appropriation finances 53 percent of the total community college unrestricted budget. The remainder of the budget is financed from a combination of sources including a mandatory levy on the community college district, student tuitions and fees, and other unrestricted revenues such as interest income and indirect cost reimbursement. In the event that actual revenues generated from student tuition and fees and other unrestricted sources exceed estimates, the excess shall be used to reduce the mandatory levy in the subsequent year.

Expenditures financed by voted levies, restricted federal funds, the one mill adult education levy, and community service fees are not considered part of the unrestricted budget. The legislature explicitly exempted revenues generated by the voted levy from the proposed expenditure limitation in order to preserve the right of the community college district to support additional services over and above those financed by the formula.

The provisions of the funding formula were enacted with the passage of HB 69.

BOARD OF REGENTS

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$19,629	\$21,704	\$41,333
Appropriation	<u>23,029</u>	<u>25,104</u>	<u>48,133</u>
Approp. over(under) Exec.	<u>\$ 3,400</u>	<u>\$ 3,400</u>	<u>\$ 6,800</u>
Percent over(under) Exec.	17.3	15.7	16.5
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$38,940	\$48,133	23.6

The biennial increase reflects inflationary adjustments to current level expenditures. Principal expenditures include per diem and travel reimbursement for board members. The appropriation funds twenty meetings per year.

COMMISSIONER OF HIGHER EDUCATION

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$2,938,630	\$3,204,636	\$6,143,266
Appropriation	<u>3,224,551</u>	<u>3,252,293</u>	<u>6,476,844</u>
Approp. over(under) Exec.	\$ 285,921 =====	\$ 47,657 =====	\$ 333,578 =====
Percent over(under) Exec.	9.7	1.5	5.4
<u>Total Expenditures</u>			
FTE	16.60	16.60	
Executive Request	\$4,345,072	\$4,624,145	\$8,969,217
Appropriation	<u>4,373,848</u>	<u>4,634,343</u>	<u>9,008,191</u>
Approp. over(under) Exec.	\$ 28,776 =====	\$ 10,198 =====	\$ 38,974 =====
Percent over(under) Exec.	.7	.2	.4
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$6,198,220 ¹	\$6,476,844	4.5
Total Expenditures	8,965,414 ¹	9,008,191	.5
Expend. with Pay Plan Est.	8,965,414	9,145,905	2.0
FTE	15.60	16.60	6.4

¹Includes \$840,478 budget amendment and continuing appropriation authority.

Total spending increases by 2.0 percent over the previous biennium. Discounting spending generated by budget amendments, total expenditures increase 12.6 percent. The general fund increases 6.7 percent when pay plan amounts are included.

Office Administration

The office of commissioner of higher education is funded to maintain all full-time equivalent employees paid from the general fund during the 1981

biennium. This appropriation includes \$31,500 in fiscal 1982 and \$31,630 in fiscal 1983 to allow the commissioner's office to add a labor relations specialist. The new position will assist current staff in collective bargaining negotiations, as well as perform a wide range of personnel management functions including grievances, arbitration cases, and contract administration.

Student Assistance

Student assistance consists of the WICHE and WAMI programs, the Minnesota rural dentistry program, the state student incentive grant program, and the national direct student loan program (NDSL). These programs, with the exception of the national direct student loan program, are grant programs which require no repayment to the state.

WAMI is a cooperative medical education program with the states of Washington, Alaska, Montana, and Idaho. Students take their first year of medical school in state and the remaining three years at the University of Washington. This appropriation provides funding for 60 medical students at the University of Washington - 20 in each class. The total biennial appropriation for WAMI is \$3,117,269 general fund. The total appropriation for WAMI increases 18.9 percent over the biennium. The cost per student is \$24,867 in fiscal 1982 and \$27,087 in fiscal 1983.

WICHE is a cooperative program between 13 western states providing graduate and professional education in selected disciplines. The total cost to the state to participate in the WICHE program is \$3,278,200. General fund support for WICHE totals \$1,224,200 for the biennium. This represents a 28 percent decrease in general fund support over the previous biennium. This decrease in general fund reflects substantially higher revenues generated by the coal tax educational trust fund.

Minnesota rural dentistry is funded for all continuing students and four entering freshman each year at a cost of \$321,600 general fund for the biennium.

Student incentive grants are funded at \$175,000 general fund for each year of the biennium and \$211,592 federal funds.

National Direct Student Loan Program is funded with \$100,000 general fund for each year of the biennium. State funds are provided to match available federal funds on a 9:1 basis.

AGRICULTURAL EXPERIMENT STATION

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 3,889,101	\$ 4,069,721	\$ 7,958,822
Appropriation	<u>4,448,576</u>	<u>4,570,687</u>	<u>9,019,263</u>
Approp. over(under) Exec.	\$ 559,475 =====	\$ 500,966 =====	\$ 1,060,441 =====
Percent over(under) Exec.	14.4	12.3	13.3
<u>Total Expenditures</u>			
FTE	305.46	305.46	
Executive Request	\$ 7,038,332	\$ 7,247,489	\$14,285,821
Appropriation	<u>7,650,778</u>	<u>7,882,142</u>	<u>15,532,920</u>
Approp. over(under) Exec.	\$ 612,446 =====	\$ 634,653 =====	\$ 1,247,099 =====
Percent over(under) Exec.	8.7	8.8	8.7
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$ 6,508,194	\$ 9,019,263	38.6
Total Expenditures	13,373,574	15,532,920	16.1
Expend. with Pay Plan Est.	13,373,574	17,114,449	28.0
FTE	285.61	305.46	7.0

The legislature granted a substantial increase to the agricultural experiment station. The 28 percent increase in total expenditures is the largest increase granted in recent biennia. This increase results from a significant expansion of research staff, equipment and a sizeable salary increase. The general fund increase when pay plan is included is over 60 percent.

Funding

The general fund share of the increase is larger as earmarked revenue

declines and federal funds grow much slower than overall budget expansion.

Funding is detailed below:

Table 1
Agricultural Experiment Station Funds¹

<u>Fund Source</u>	<u>-----Fiscal Year-----</u>			
	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
General Fund	\$3,065,539	\$3,442,655	\$4,448,576	\$4,570,687
Federal Funds	1,313,604	1,455,384	1,525,276	1,609,167
Earmarked Funds	1,268,064	1,061,530	750,000	750,000
U.S. Range Earmarked Funds	806,963	959,835	901,926	927,288

¹Excludes HB 840 pay plan and HB 469 seed potato research.

The drop in earmarked funds are a result of the 1979 legislature appropriating accumulated balances. Now that these balances have been reduced the station must operate on current revenues.

A supplemental appropriation of \$60,000 general fund and \$127,633 of federal funds was granted in HB 94 for the 1981 biennium.

Research Expansion

The appropriation adds 19.85 FTE at a personal service cost of \$589,874 in the biennium. Another \$250,000 is added for related operating expenses. The experiment station requested 38.81 FTE and over one-half million dollars of additional funds for operating expenses. The added employees are described in the following table.

Table 2
Agricultural Experiment Station FTE

<u>Type</u>	<u>Current FTE</u>	<u>Added</u>	<u>1983 Biennium Total</u>
Faculty	100.41		100.41
Administrative	13.05		13.05
Classified	146.10	3.90	150.00
Graduate Research Assistants	10.00	7.00	17.00
Part-time	<u>16.05</u>	<u>8.95</u>	<u>25.00</u>
Total	285.61	19.85	305.46

The added support staff will increase the efficiency and amount of research carried out at the station. Programs that have in recent years been curtailed or eliminated will be reestablished.

Salaries of research faculty have been raised to the average of Montana state university instructional faculty. This required an additional \$153,426 in the biennium.

Equipment

The experiment station received over \$600,000 for equipment in the 1983 biennium. Their request was for over one million dollars for equipment. There was considerable discussion of the equipment needs of the experiment station during the budget hearings. The committee expressed concern that the current equipment was not being efficiently used.

U.S. Range Station

The range station, located near Miles City is a joint operation between the state and federal government. The appropriated funding continues it at

current level. The state portion is funded from earmarked revenues earned primarily from the sale of livestock. Because of dry weather in recent years and fluctuations in livestock prices the continued ability of the station to support itself from these revenues is in doubt. The fiscal year 1980 ending balance of these funds was \$863,572 with revenue exceeding expenses for the prior three years. However, some selling off of the herd due to dry conditions in 1980 may lower future revenues as livestock inventories have been reduced. The experiment station is to evaluate the range station operations in the 1983 biennium to determine if it can remain self supporting.

Seed Potato Research

In HB 569, \$50,000 of renewable resource funds are appropriated for seed potato research. These funds are to be placed in a restricted account and only be used for potato research. The bill prohibits use of any of these funds for indirect costs or administration.

BUREAU OF MINES

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$1,240,176	\$1,271,252	\$2,511,428
Appropriation	<u>1,210,783</u>	<u>1,228,570</u>	<u>2,439,353</u>
Approp. over(under) Exec.	\$ (29,393) =====	\$ (42,682) =====	\$ (72,075) =====
Percent over(under) Exec.	(2.4)	(3.4)	(2.9)
<u>Total Expenditures</u>			
FTE	36.16	36.16	
Executive Request	\$1,375,176	\$1,411,252	\$2,786,428
Appropriation	<u>1,380,383</u>	<u>1,384,370</u>	<u>2,764,753</u>
Approp. over(under) Exec.	\$ 5,207 =====	\$ (26,882) =====	\$ (21,675) =====
Percent over(under) Exec.	.4	(1.9)	(.8)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$1,817,582	\$2,439,353	34.2
Total Expenditures	2,214,609	2,764,753	24.8
Expend. with Pay Plan Est.	2,214,609	3,005,340	35.7
FTE	30.48	36.16	18.6

The bureau of mines receives a significant expansion in its budget in new or expanded programs of 1) hydrogeological research, 2) mineral resource studies, and 3) federal cooperative ground water studies. The legislature added \$114,054 to bring professional salaries to the level of college faculty.

Hydrogeological Research

Groundwater research is expanded with 4.25 FTE and an added \$310,986 general fund in the biennium. This research was supported in the current

biennium with \$110,000 of renewable resource funds. Through this program the bureau works cooperatively with the department of natural resources to evaluate quantity and quality of ground water resources. This was the bureau's highest priority request. The 4.25 FTE were funded with federal and private funds in the 1981 biennium.

Mineral Resource Studies

An additional \$92,998 in the biennium is appropriated for mineral resource studies. This should allow assessment of the western Montana mineral belt to determine location and mineability of mineral resources. The funds provide for 1.5 FTE; a new position for an economic geologist and part of three other current employees supported in the 1981 biennium through contracts and grants.

Cooperative Groundwater Studies

Funding for cooperative studies with the United States geological survey is increased \$66,000 in the biennium. This expansion is targeted on ground water work relating to expected mining in the Stillwater complex, in Stillwater county. In HB 542, \$28,000 of renewable resource funds are appropriated to assist in this study. These state funds are matched by federal funds on approximately a three to one ratio.

COOPERATIVE EXTENSION SERVICE

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$1,320,012	\$1,350,619	\$2,670,631
Appropriation	<u>1,644,433</u>	<u>1,607,040</u>	<u>3,251,473</u>
Approp. over(under) Exec.	\$ 324,421 =====	\$ 256,421 =====	\$ 580,842 =====
Percent over(under) Exec.	24.6	19.0	21.7
<u>Total Expenditures</u>			
FTE	129.37	129.37	
Executive Request	\$2,886,210	\$2,947,727	\$5,833,937
Appropriation	<u>3,275,703</u>	<u>3,362,663</u>	<u>6,638,366</u>
Approp. over(under) Exec.	\$ 389,493 =====	\$ 414,936 =====	\$ 804,429 =====
Percent over(under) Exec.	13.5	14.1	13.8
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$2,586,542	\$3,251,473	25.7
Total Expenditures	5,455,837	6,638,366	21.7
Expend. with Pay Plan Est.	5,455,837	7,336,816	34.5
FTE	127.87	129.37	1.2

The cooperative extension service is granted appropriation increases above current level for salaries, supporting a portion of AGNET from state funds, travel and other operating expenses. All current level operations are continued as well.

AGNET

AGNET provides computer analysis capabilities for many agricultural problems ranging from feed mix formulations for livestock to income tax

planning. It uses a computer located in Nebraska which is called through terminals in local extension offices. The old west regional commission has supported AGNET through grants in the past and the 1981 biennium.

The legislature provided \$122,425 general fund for approximately one-half the costs of AGNET in the 1983 biennium. The remainder of the costs will be funded by program user fee. In future years the users will gradually assume full financial responsibility for AGNET.

Personal Services

The extension service was appropriated \$186,808 each fiscal year to raise salaries of county extension agents and specialists. The amount is an increase to the base and is in addition to increases contained in HB 840, the state pay plan. This increase is designed to make these salaries competitive with other extension services in the western states.

The addition of AGNET to state funding adds 1.5 FTE.

Operating Expenses

The operating expenses base is increased above current level by \$48,656 in fiscal 1982 and \$51,516 in fiscal 1983. These added funds are primarily for travel and contracted printing services. The extension service maintained that restricted travel funds in the current biennium were limiting their ability to serve the public.

Smith-Lever Funds

Federal funds for the cooperative extension service are anticipated to increase each year of the biennium as shown in table 1.

Table 1
Smith-Lever Funds

<u>Fiscal Year</u>	<u>Smith-Lever Funds Unrestricted</u>
1980	1,410,236 actual
1981	1,459,059 estimate
1982	1,561,193 appropriated
1983	1,670,477 appropriated

In the past biennium the estimate of Smith-Lever funds was held constant as increases were uncertain. When increased federal funds became available HB 483 of the 46th legislature required general fund reversions. However, when added federal funds were received in fiscal 1980 the general fund reversion did not occur. The extension service received appropriation authority through HB 94 of the 47th legislature for those funds. Because of problems securing the reversion, reasonable increases in Smith-Lever funds are estimated for the 1983 biennium and specific reversion requirements are dropped.

FORESTRY AND CONSERVATION EXPERIMENT STATION

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$301,788	\$ 307,115	\$ 608,903
Appropriation	<u>500,773</u>	<u>594,407</u>	<u>1,095,180</u>
Approp. over(under) Exec.	<u>\$198,985</u>	<u>\$ 287,292</u>	<u>\$ 486,277</u>
Percent over(under) Exec.	65.9	93.5	79.9
<u>Total Expenditures</u>			
FTE	16.78	22.26	
Executive Request	\$301,788	\$ 307,115	\$ 608,903
Appropriation	<u>560,773</u>	<u>654,407</u>	<u>1,215,180</u>
Approp. over(under) Exec.	<u>\$258,985</u>	<u>\$ 347,292</u>	<u>\$ 606,277</u>
Percent over(under) Exec.	85.8	113.1	99.6
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$563,809	\$1,095,180	94.2
Total Expenditures	563,809	1,215,180	115.5
Expend. with Pay Plan Est.	563,809	1,338,705	137.4
FTE	10.26	22.26	117.0

Appropriations for the forestry experiment station were first separated from the University of Montana by the 1979 legislature. The appropriation more than doubled for the 1983 biennium as a major expansion of research efforts is authorized. The expansion is to 1) assemble existing forest inventory information, 2) estimate productive potentials of Montana forests, and 3) develop management guidelines to maximize timber production.

Twelve FTE are added. These employees are listed in the following schedule.

<u>Type</u>	-----FTE-----	
	<u>FY 1982</u>	<u>FY 1983</u>
Faculty	1.67	2.00
Management Specialist	.75	1.00
Forest Technician		1.00
General Technician	.10	1.00
Laborers	.25	1.00
Station Editor		.50
Biometrician		.50
Clerk Typist	.75	.75
Accounting Technicians	1.00	1.00
Research Assistants	1.00	2.25
Equipment Operator	<u>1.00</u>	<u>1.00</u>
Total Added FTE	6.52	12.00

The two faculty are research positions which will be spread among a larger number of individuals as release time is granted teaching faculty to carry out research projects. An operator for an inductively coupled plasma spectrometer (ICPS) is added to operate this piece of equipment which is being purchased through a federal grant. The ICPS allows quantitative and qualitative analysis of inorganic compounds. In the future, the operation will be funded through user charges.

The other new employees primarily work at the Lubrecht experimental forest near Missoula. Experiments on various forest management techniques will be carried out at the Lubrecht experiment forest by the staff.

In HB 709 the forestry experiment station is appropriated \$120,000 of renewable resource development funds for a second growth management project at the Lubrecht experimental forest.

COLLEGES AND UNIVERSITIES

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 48,749,729	\$ 47,582,135	\$ 96,331,864
Appropriation	<u>51,983,650</u>	<u>52,915,559</u>	<u>104,899,209</u>
Approp. over(under) Exec.	\$ 3,233,921	\$ 5,333,424	\$ 8,567,345
	=====	=====	=====
Percent over(under) Exec.	6.6	11.2	8.9
<u>Total Expenditures</u>			
Executive Request	\$ 80,878,679	\$ 82,973,332	\$163,852,011
Appropriation	<u>84,055,306</u>	<u>87,237,946</u>	<u>171,293,252</u>
Approp. over(under) Exec.	\$ 3,176,627	\$ 4,264,614	\$ 7,441,241
	=====	=====	=====
Percent over(under) Exec.	3.9	5.1	4.5
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$ 85,813,160	\$104,899,209	22.2
Total Expenditures	139,537,210	171,293,252	22.8
Expend. with Pay Plan Est.	139,537,210	188,747,385	35.3

The table includes \$1,600,000 vacancy savings contingency appropriated to the governor's office.

The general fund appropriation for the colleges and universities increases nearly \$37 million in the 1983 biennium when pay plan increases are included. This 43 percent increase comes as a result of applying a new funding method developed by the legislative finance committee, increased enrollments and cost increases resulting from inflation. General fund absorbs the larger share of the increase as increases in millage revenue and federal funds lags the growth of overall budgets.

The primary explanation for appropriations in excess of the executive request relates to implementation of the legislative finance committee funding

formula concepts. The executive budget recognized enrollment and inflation-ary cost increases. It did not, however, recognize the peer concepts used in the legislative finance committee formula.

Appropriation by Campus

The appropriations contained in HB 500 were detailed by the individual college or university and line itemed to individual programs. This line iteming is designed to provide a clearer understanding of anticipated use of appropriated funds. HB 500 allows the units to transfer amounts at each campus between line items through budget amendments. The appropriations for each campus are summarized in the following table.

Table 1
Appropriation by Campus and Program¹

<u>Campus</u>	<u>Instruction²</u>	<u>Research</u>	<u>Public Service</u>	<u>Support³</u>	<u>Physical Plant</u>	<u>Scholarships</u>	<u>Total</u>
<u>Fiscal 1982</u>							
MSU	\$18,657,510	\$ 697,190	\$ 8,728	\$ 9,472,345	\$ 3,679,361	\$ 664,511	\$33,179,645
UM	14,479,107	353,936	161,769	7,912,038	3,811,650	634,132	27,352,632
EMC	4,527,851	-0-	34,862	3,378,159	1,589,483	199,353	9,729,708
NMC	2,557,831	-0-	8,981	1,255,043	620,474	121,510	4,563,839
WMC	1,108,521	-0-	-0-	959,837	507,219	47,465	2,623,042
MCMST ⁴	2,918,504	39,688	-0-	1,633,271	1,048,850	166,127	5,806,440
Total	\$44,249,324	\$1,090,814	\$214,340	\$24,610,693	\$11,257,037	\$1,833,098	\$83,255,306
	=====	=====	=====	=====	=====	=====	=====
<u>Fiscal 1983</u>							
MSU	\$18,722,620	\$ 722,299	\$ 8,640	\$10,348,653	\$ 3,935,986	\$ 743,904	\$34,482,102
UM	14,690,903	364,745	167,978	8,491,395	4,105,745	682,641	28,503,407
EMC	4,553,768	-0-	35,495	3,202,586	1,681,750	201,292	9,674,891
NMC	2,601,309	-0-	9,233	1,369,642	652,178	119,900	4,752,262
WMC	1,117,723	-0-	-0-	1,040,850	534,764	49,885	2,743,222
MCMST	3,010,909	43,586	-0-	1,935,991	1,118,290	173,286	6,282,062
Total	\$44,697,232	\$1,130,630	\$221,346	\$26,389,117	\$12,028,713	\$1,970,908	\$86,437,946
	=====	=====	=====	=====	=====	=====	=====

¹ Does not include \$1.6 million vacancy saving contingency nor HB 840 pay plan additions.

² Critical area faculty salary adjustments are included in the instruction program.

³ Audit costs are included with support programs.

⁴ \$111,830 appropriated to MCMST in HB 841 to upgrade neutron activation and gamma radiation detection and analysis equipment is included in support.

Formula Funding

Appropriations to the colleges and universities are based largely on formula concepts recommended by the legislative finance committee. The development of these concepts was the result of a study carried out by the committee in response to house joint resolution 58 of the 46th legislature. A central feature of these concepts was the use of peer comparisons, the peers being a selected group of colleges and universities in the western United States. Adjustments were made to formula generated figures to address particular problems.

Key formula concepts adopted in the appropriations include:

- Academic disciplines and levels of instruction are recognized.
- Tuition and fee rates are related to these rates at peer institutions.
- The three-year average of enrollments is used for appropriation calculations at schools experiencing declining enrollments. This buffers the impact of decline.
- An adjustment is added to recognize the impact of part-time students.
- Revenues generated from indirect cost charges are not fully applied toward formula generated costs. Fifteen percent is exempted.
- Instruction and support costs are based upon workloads and expenditures per FTE student of peer institutions.
- Fixed costs are recognized in determining physical plant funding.

Several formula concepts were modified or eliminated by the legislature. The major modifications are:

- Support costs are phased in to the level of the peers by supporting 90 percent of the peer average in fiscal 1982 and 97 percent in fiscal 1983.
- Faculty salaries are increased by the state pay plan plus a "critical area adjustment" rather than increased to the peer average.
- The enrollment contingency fund recommended in the formula is dropped.
- Summer school faculty salaries are continued at .22 of the academic year salary rather than raised to .33 as was proposed by the legislative finance committee.
- All fee waivers are appropriated to the individual units. The formula proposed appropriating mandatory fee waivers to the commissioners office for distribution to campuses where affected students enroll.

Enrollment - A major factor influencing college funding is enrollment. Under the formula enrollment determines the number of faculty needed, support costs and the tuition estimate. In table 2 the enrollment projections used by the legislature are listed. As the table shows, college enrollments are expected to decline over the next several years. This follows the trend of high school enrollments which have been falling for several years.

Table 2
Enrollment

	1980 <u>Actual</u>	1981 <u>Projected</u>	-----1982----- <u>Projected</u>	----- 3-Year <u>Average</u>	-----1983----- <u>Projected</u>	----- 3-Year <u>Average</u>
MSU	9,691	10,228	10,034*	9,984	9,624	9,962*
UM	7,843	8,145	8,043*	8,010	7,968	8,052*
EMC	2,911	3,078	3,040*	3,010	2,912	3,010*
NMC	1,235	1,353	1,294*	1,294	1,244	1,297*
WMC	692	820	795*	769	767	794*
MCMST	<u>1,247</u>	<u>1,531</u>	<u>1,565*</u>	<u>1,448</u>	<u>1,590*</u>	<u>1,562</u>
Total	23,619	25,155	24,771		24,105	

*Enrollment figure used to calculate the budget.

Enrollments will possibly decline by 25 percent from the fiscal 1981 levels before stabilizing in the late 1980's or early 1990's. Because enrollment declines will significantly affect funding under the legislative finance committee formula a letter of intent was sent to the board of regents encouraging long range planning to accomplish the necessary reductions.

The higher of the three-year average or projected enrollment is used in budget calculations. Use of the three-year average provides a buffer to schools with declining enrollment as they are funded for more students than are anticipated to enroll. This procedure is beneficial for five of the units in fiscal 1983. The enrollment counted as a buffer is the difference between the three-year average and the projected enrollment. For example, MSU is funded for 338 more students than are anticipated in fiscal 1983.

Number of Faculty

The number of faculty is determined through the formula by an aggregate

faculty productivity ratio. This ratio indicates the average number of student credit hours a full-time faculty instructs in a year. These aggregate faculty productivity ratios are unique for each campus. These ratios are converted to student faculty ratios for illustration purposes in table 3. They result from combining guideline productivity ratios weighted for each discipline and level on the campus. The guideline productivity ratios are the median of actual experience at the peers. As a result of this process, programs like nursing which has a low faculty productivity ratio (requires smaller classes) is reflected in the aggregate productivity ratio for MSU.

Table 3
Aggregate Student Faculty Ratios

<u>Unit</u>	<u>Aggregate Student Faculty Ratio</u>
MSU	18.37
UM	18.15
EMC	18.57
NMC	13.98
WMC	17.62
MCMST	17.77

Faculty compensation - Faculty compensation is continued at the "guideline" rates set in the previous legislature. Added to these guideline rates is an amount to allow the schools to increase compensation in academic areas where it is difficult to hire or retain faculty. This amount is termed "critical area adjustment. The use of guideline compensation as a base puts EMC, NMC and WMC at 90 percent of the university level. The base compensation and the critical area adjustment are listed for each campus in table 4. The adjustment for MCMST is proportionally much larger as it has been particularly difficult for them to hire and retain special engineering faculty. The

critical area adjustment for MCMST will bring their base to 102 percent of the universities guideline base. Statewide pay plan amounts will be added to these figures for fiscal 1982 and fiscal 1983.

Table 4
Faculty Compensation

	1981 Guideline Compensation*	Critical Area Adjustment	
		1982	1983
MSU	\$25,440	\$315,000	\$342,000
UM	25,440	245,000	266,000
EMC	22,900	66,000	72,000
NMC	22,900	16,000	17,500
WMC	22,900	8,000	9,000
MCMST	24,043	174,115	187,506

*Compensation includes benefits. Rates are based on nine month academic year, faculty that work the full year receive 1.22 times the academic year salary.

When pay plan amounts are included the salary portion of compensation increases as shown in table 5. In addition to the salary increases the state contribution for health insurance is raised \$120 in fiscal 1982 and again in fiscal 1983.

Table 5
Faculty Salaries¹

	1981 Guideline	1982 Guideline	1983 Guideline
MSU	\$21,857	\$24,191	\$26,792
UM	21,857	24,191	26,792
EMC	19,611	21,701	24,031
NMC	19,611	21,701	24,031
WMC	19,611	21,701	24,031
MCMST	20,622	22,822	25,274

¹Excludes critical area adjustments.

Summer school faculty compensation is based upon full-time summer school faculty receiving .22 of the academic year amount. This continues the current calculation of summer pay.

Support - The support area of the college budgets includes funds for academic support, deans, libraries, student services, registration and admission offices, intercollegiate athletics, institutional support, business offices and other administrative offices. The formula proposed by the legislative finance committee based support on the expenditure per FTE student of peer schools plus an adjustment for part-time students. The legislature phases in to the peer group support amount by going to 90 percent of the peers in fiscal 1982 and 97 percent in fiscal 1983. This may avoid a rapid expansion followed by a reduction as future enrollments fall.

The adjustment for part-time students, called high headcount adjustment, is to recognize the impact these students have on registrar's and admission offices. The amount of high headcount adjustment is larger for schools with larger numbers of part-time students relative to total FTE enrollment. At units where headcount enrollments exceed FTE enrollment by less than five percent no adjustment is added.

Table 6
High Headcount Adjustment

<u>Unit</u>	<u>Amount</u>	
	<u>1982</u>	<u>1983</u>
EMC	\$57,517	\$62,079
WMC	10,360	11,277
MCMST	17,062	18,904

The legislature allowed several additions to support areas beyond phase-in of the formula support figures. All colleges are funded to join the Washington library network (WLN), a computerized network for interlibrary loan and shared cataloging. Several schools are allowed to purchase computer equipment as listed below:

Table 7
Added Support Appropriations
(for biennium)

	<u>WLN</u>	<u>Computers</u>
MSU	\$ 93,430	
UM	92,850	\$218,500
EMC	47,661	466,000
NMC	52,516	
WMC	40,521	
MCMST	<u>41,317</u>	<u>215,500</u>
Total	\$368,295	\$900,000

The current unrestricted operating account includes its share of legislative audit costs with separate line-item appropriations. These audits are considered a part of support costs.

Physical plants - The legislature funded the physical plant for current level costs, facilities added since last session and \$1,090,000 in fiscal 1982 and \$1,188,100 in fiscal 1983 to improve the maintenance and repair of facilities.

The appropriation for physical plants is the same as recommended through the formula study. Maintenance improvement funds are allocated by the commissioner of higher education as follows:

Table 8
Maintenance Improvement Funds

<u>Unit</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
MSU	\$ 408,532	\$ 445,300
UM	379,429	413,577
EMC	82,186	89,583
NMC	52,211	56,910
WMC	78,262	85,306
MCMST	<u>89,380</u>	<u>97,424</u>
Total	\$1,090,000	\$1,188,100

Scholarship and fellowships - The appropriation for fee waivers includes both discretionary and mandatory waivers. Discretionary waivers are calculated as 5.75 percent of in-state fees and 18.45 percent of out-of-state fees for the entire university system. Then \$440,000 in fiscal 1982 and \$500,000 in fiscal 1983 is added for mandatory waivers. This should provide waivers for the same percentage as in fiscal 1980 of FTE enrollment. The dollar amounts increase because tuition and fees are raised. The allocations by unit are as requested by the commissioner of higher education.

Revenues

Revenues for the colleges and universities include state general fund, tuition and fees, the six mill statewide property tax levy, land grant income, indirect charges on grants administered by the unit, miscellaneous fees, grants and transfers. The revenue for each campus is summarized in the following table.

Table 9 ¹
Revenues

<u>Campus</u>	<u>General Fund</u>	<u>Millage</u>	<u>Tuition and Fees</u>	<u>Indirect Costs</u>	<u>Land Grants</u>	<u>Other</u>	<u>Total</u>
<u>Fiscal 1982</u>							
MSU	\$19,524,703	\$ 5,074,629	\$ 6,276,007	\$ 1,463,847	\$450,000	\$390,459	\$33,179,645
UM	16,931,086	4,023,593	5,552,250	585,103	135,000	125,600	27,352,632
EMC	6,321,175	1,607,318	1,618,236	80,979	69,000	33,000	9,729,708
NMC	3,219,973	714,140	617,928	9,798	-0-	2,000	4,563,839
WMC	1,761,218	363,117	404,784	16,923	69,000	8,000	2,623,042
MCMST	3,425,495	715,653	1,031,409	285,944	-0-	347,939 ²	5,806,440
HB 840 Pay Plan	4,836,118						4,836,118
Vacancy Savings	800,000						800,000
<u>Total</u>	<u>\$56,819,768</u>	<u>\$12,498,450</u>	<u>\$15,500,614</u>	<u>\$2,442,594</u>	<u>\$723,000</u>	<u>\$906,998</u>	<u>\$88,891,424</u>
<u>Fiscal 1983</u>							
MSU	\$19,937,432	\$5,490,167	\$ 6,608,930	\$ 1,565,114	\$490,000	\$390,459	\$34,482,102
UM	17,332,068	4,307,636	5,977,140	622,963	135,000	128,600	28,503,407
EMC	5,995,916	1,783,597	1,700,116	86,262	76,000	33,000	9,674,891
NMC	3,267,285	797,010	675,392	10,575	-0-	2,000	4,752,262
WMC	1,802,823	393,088	446,118	18,193	75,000	8,000	2,743,222
MCMST	3,780,035	807,954	1,133,648	304,506	-0-	255,919	6,282,062
HB 840 Pay Plan	12,618,015						12,618,015
Vacancy Savings	800,000						800,000
<u>Total</u>	<u>\$65,533,574</u>	<u>\$13,579,452</u>	<u>\$16,541,344</u>	<u>\$2,607,613</u>	<u>\$776,000</u>	<u>\$817,978</u>	<u>\$99,855,961</u>

¹Includes \$1.6 million vacancy savings and \$17,454,133 from HB 840 the pay plan.²Includes \$111,830 appropriated in HB 841.

Tuition and fee revenues increase as the result of increased rates set by the board of regents. These rates are designed to have Montana tuition equal to the anticipated tuition level of the peer schools. Table 10 summarizes the rate change.

Table 10
Tuition and Fee Rates Per Academic Year

<u>Unit</u>	<u>-----In-State-----</u>			<u>-----Out-of-State----</u>		
	<u>1980</u>	<u>1982</u>	<u>1983</u>	<u>1980</u>	<u>1982</u>	<u>1983</u>
MSU	\$333	\$423	\$477	\$1,629	\$1,719	\$1,845
UM	333	423	477	1,629	1,719	1,845
EMC	333	423	477	1,269	1,359	1,485
NMC	333	423	477	1,269	1,359	1,485
WMC	333	423	477	1,269	1,359	1,485
MCMST	333	423	477	1,269	1,719	1,845

Indirect cost revenues are applied 85 percent toward formula generated costs and 15 percent as the unit chooses. The units allocated their 15 percent set aside in their presentation to the appropriations subcommittee. It is therefore included in the line items in HB 500. The amounts in the table on the previous page include 100 percent of these anticipated revenues. The legislative finance committee recommended the 85-15 procedure.

MONT S - MONT S (Montanans on a new track for science) can be funded from the 15 percent of the indirect cost revenues which are not considered in meeting formula generated budgets. MONT S is a five-year state-federal program designed to stimulate research. Federal funds of \$2.3 million are expected over the five-year period. The project began in fiscal 1981. The state share in the 1983 biennium is \$500,000.

DEPARTMENT OF LABOR AND INDUSTRY¹

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 955,033	\$ 963,589	\$1,918,622
Appropriation	<u>810,435</u>	<u>837,848</u>	<u>1,648,283</u>
Approp. over(under) Exec.	\$ (144,598) =====	\$ (125,741) =====	\$ (270,339) =====
Percent over(under) Exec.	(15.1)	(13.1)	(14.1)
<u>Total Expenditures</u>			
FTE	76.0	76.0	
Executive Request	\$2,811,492	\$2,860,188	\$5,671,680
Appropriation	<u>2,543,002</u>	<u>2,573,038</u>	<u>5,116,040</u>
Approp. over(under)Exec.	\$ (268,490) =====	\$ (287,150) =====	\$ (555,640) =====
Percent over(under) Exec.	(9.6)	(10.0)	(9.8)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$1,430,169 ²	\$1,648,283	15.3
Total Expenditures	6,517,661	5,116,040	(21.5)
Expend. With Pay Plan Est.	6,517,661	5,594,891	(14.2)
Ending Year FTE	71.75	76.0	5.9

¹Does not include workers' compensation division or employment security division. Includes human rights division, personnel appeals division, employment and training division, labor standards division, and central services.

²Includes general fund supplemental totalling \$6,657 to replace declining veterans' administration funds in the apprenticeship bureau of the labor standards division.

Departmental Reorganization - The department proposed and the legislature approved a departmental reorganization plan which will:

1. transfer the position of division administrator of the employment security division to the director's office as a deputy director;
2. combine centralized services for the workers' compensation division, (what is currently) the employment and security division, and the remainder of the department of labor;
3. create divisions from the existing job service bureau and the unemployment insurance bureau currently within the employment security division (see narrative for employment security division); and
4. reduce 4.0 FTE in the workers' compensation current level FTE due to the centralized services reorganization.

Labor Standards Division

The legislature funded the apprenticeship bureau with general fund as federal funding has ended. This program has been supported by veterans' administration funds since the 1960's. Prior to the 1960's it was funded with general fund. General fund appropriated for the apprenticeship bureau totalled \$152,229 for the biennium. This appropriation will allow the apprenticeship program to remain at current level.

The women's bureau was not funded. This change included a reduction of 2.0 FTE and \$68,827 general fund in fiscal 1982 and \$75,021 general fund in fiscal 1983. Language was inserted into HB 500 which specifically prohibits the use of any funds for a women's bureau.

Employment and Training Division

This division was increased by 5.0 FTE. Four FTE were included in the budget for the state occupational and information coordinating committee. This committee is responsible for coordination of state and federal employment programs. The hiring of these four FTE is dependent upon the receipt

of federal funds for this program. The other additional FTE was added due to increased monitoring of CETA grants. The department had originally requested 5.0 FTE to monitor these grants, but reduced their request due to declining federal funds.

Personnel Appeals Division

During subcommittee hearings, the department stated they were far behind in personnel appeal cases. They requested, and the legislature approved, a transfer of \$3,000 per year from contracted services to personal services to upgrade a staff member who would only do classification appeals. The executive budget for this division was approved as requested.

Human Rights Division

This division was budgeted to remain at current level. A request for \$22,500 per year for training and additional legal costs was denied. Due to the uncertainty of federal (per case) reimbursements, boilerplate language was included in HB 500 which requires a reversion of other funds received in excess of the approved spending authority.

WORKERS' COMPENSATION DIVISION

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 806,399	\$ 768,886	\$ 1,575,285
Appropriation	<u>906,149</u>	<u>861,886</u>	<u>1,768,035</u>
Approp. over(under) Exec.	<u>\$ 99,750</u>	<u>\$ 93,000</u>	<u>\$ 192,750</u>
Percent over(under) Exec.	12.4	12.1	12.2
<u>Total Expenditures</u>			•
FTE	179.67	188.83	
Executive Request	\$5,435,705	\$ 5,715,906	\$11,151,881
Appropriation	<u>5,591,520</u>	<u>6,266,872</u>	<u>11,858,392</u>
Approp. over(under)Exec.	<u>\$ 155,545</u>	<u>\$ 550,966</u>	<u>\$ 706,511</u>
Percent over(under) Exec.	2.9	9.6	6.3
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$1,832,228	\$ 1,768,035	(3.5)
Total Expenditures	9,334,300	11,858,392	27.0
Expend. With Pay Plan Est.	9,334,300	12,851,065	37.7
Ending Year FTE	164.0	188.83	15.1

Workers' Compensation Division

A substantial increase in FTE and operating expenses was approved for the workers' compensation division due to an increasing work load. For many occupations the division's insurance rate is the cheapest in the state. This increase above current level totalled \$915,257 over the biennium and included 15.67 FTE in fiscal 1982 and 24.83 FTE in fiscal 1983 as shown in the following schedule.

<u>Division</u>	<u>Position</u>	<u>FTE Added</u>	
		<u>FY 1982</u>	<u>FY 1983</u>
State Insurance Fund	Assistant Bureau Chief		1.00
	In-House Claims Examiner	2.00	4.00
	Field Claims Examiner	0.83	1.83
	Claims Examiner Aide	1.50	2.00
	Clerical	6.00	9.00
	Subtotal	10.33	17.83
Administration	Cashier	.92	1.00
	Mail Clerk	.92	1.00
	Accounting Technician	.50	1.00
	Statistical Clerk	1.00	2.00
	Field Auditor	1.00	1.00
	Assist. Audit Supervisor	1.00	1.00
	Subtotal	5.34	7.00
Agency Total		15.67	24.83

Staff increases in both the state insurance fund division and the administration division are directly related to a substantial increase in work load due to an increasing number of employers insured.

In addition to these increases, the base level contract service budget was increased \$264,880 in fiscal 1982 and \$248,010 in fiscal 1983. This addition to the base is due to increased data processing costs for the increased numbers of employers enrolled. The increases are funded entirely by revenue derived from assessments made against insured private employers.

In fiscal 1982 other appropriated funds include \$4,201,640 earmarked funds, \$88,457 federal funds, and \$395,274 agency funds. In fiscal 1983, other appropriated funds include \$4,934,833 earmarked funds, \$90,149 federal funds, and \$380,004 agency funds.

Language is included in HB 500 that directs the department to develop performance measurements and explore the possibility of an open-ended appropriation similar to that of the department of revenue's liquor division. This

study is to be completed by August, 1982 so it can be considered in the 1985 biennium budget process.

Silicotic Payments

The legislature increased the monthly payments to silicotic victims from \$175 to \$200 in HB 290. This increase totalled \$99,750 in fiscal 1982 and \$93,000 in fiscal 1983. These payments are made entirely from the general fund. Payments made to surviving spouses were not increased.

Crime Victim Compensation

The source of funding for the crime victim's compensation program was changed by the legislature in HB 676. The program was previously funded from six percent of traffic fines and bail forfeitures from city, county, and highway patrol fines. HB 676 amended the law to fund this program from 18 percent of the fines assessed and bail forfeitures received by the highway patrol.

There is little effect on revenue income for the crime victims' compensation program. However, the net effect of this change in funding will be to transfer the portion of this program funded from city and county revenues to general fund. The state highway patrol fines which would otherwise go to the general fund will now totally finance this program.

New Building

The appropriation includes \$416,554 spending authority for debt service payments for a new workers' compensation building.

EMPLOYMENT SECURITY DIVISION

<u>Total Expenditures</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
FTE	700.4	695.9	
Executive Request	\$16,044,965	\$16,423,576	\$32,468,541
Appropriation	<u>15,056,962</u>	<u>15,435,596</u>	<u>30,492,558</u>
Approp. over(under)Exec.	<u>\$ (988,003)</u>	<u>\$ (987,980)</u>	<u>\$(1,975,983)</u>
Percent over(under) Exec.	(6.2)	(6.0)	(6.1)
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
Total Expenditures	\$28,375,209	\$30,492,558	7.5
Expend. With Pay Plan Est.	28,375,209	34,379,238	21.2
Ending Year FTE	701.4	695.9	(0.8)

This division's original request included 49.0 FTE over the current level of 701.4 FTE. The division changed its request during the legislative session because an anticipated work load increase had not yet materialized. The division reduced its request for FTE from 750.4 to 700.4 FTE in fiscal 1982 and to 695.9 FTE in fiscal 1983. The request for operating expenses was also reduced by \$1,033,623 in fiscal 1982 and by \$1,340,002 in fiscal 1983.

Proposed departmental reorganization will affect the employment security division. The division administrator's slot has been removed and reclassified as deputy director and transferred to the director's office. The job service bureau and the unemployment insurance bureau will be made divisions. The other current bureau, administrative services, will be merged into a single departmental central services division in fiscal 1983. The fiscal 1982 FTE

level is reduced by 1.0 FTE, and is reduced 4.5 FTE in fiscal 1983 due to this reorganization.

The department has submitted a request to the federal government for additional data processing capabilities. If the request is approved and funded at the requested level, those funds will be budget amended and would total approximately \$2.8 million over the biennium.

New Building

The other appropriated funds include \$104,138 spending authority for debt service for two new job service offices to be constructed in Polson and Hamilton.

DEPARTMENT OF HEALTH

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 3,588,364	\$ 3,702,349	\$ 7,290,713
Appropriation ¹	<u>3,106,919</u>	<u>3,125,004</u>	<u>6,231,923</u>
Approp. over(under) Exec.	\$ 481,445 =====	\$ 577,345 =====	\$ 1,058,790 =====
Percent over(under) Exec.	(13.4)	(15.6)	(14.5)
<u>Total Expenditures</u>			
FTE	279.6	277.2	
Executive Request	\$21,313,303	\$21,908,657	\$43,221,960
Appropriation	<u>20,528,932</u>	<u>21,299,504</u>	<u>41,828,436</u>
Approp. over(under)Exec.	\$ (784,371) =====	\$ (609,153) =====	\$(1,393,524) =====
Percent over(under) Exec.	(3.7)	(2.8)	(3.2)
<u>Biennial Comparison</u>	<u>1981 Biennium²</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$ 5,590,917	\$ 6,231,923	11.5
Total Expenditures	39,540,652	41,828,436	5.8
Expend. With Pay Plan Est.	39,540,652	43,783,247	10.7
Ending Year FTE	304.43	277.20	(8.9)

¹Includes \$46,100 general fund in fiscal 1982 and \$48,782 general fund in fiscal 1983 in HB 500 for SB 37 (tumor register).

²Includes general fund supplemental totalling \$108,337.

The approved budget for the health department reflects a reduction of 27.23 FTE between fiscal 1981 and fiscal 1983. The general fund increases 11.5 percent over the biennium, while federal funds increases only 5.8 percent. The reduction in FTE is directly related to the loss of existing

federal funds and anticipated slow growth of federal funds in the 1983 bien-nium. Of the total FTE reduction, 9.5 are reduced from the laboratory division.

Health Planning

Health planning and resource development operates the health planning effort and administers the certificate of need law. The planning efforts examine the adequacy of existing medical facilities and the need for additional health care facilities, equipment, and professional services. The certificate of need law requires health department approval for any construction or improvements of a medical or long-term care facility which exceeds \$150,000 or improvements that substantially increase services.

The legislature approved a reduction of general fund as requested by the department. This is possible because the federal government has allowed the general fund portion of the program's indirect costs to be counted towards the general fund maintenance of effort level. The bureau's budgeted general fund maintenance of effort (as requested by the department) totals \$111,915 in fiscal 1982 and \$115,934 in fiscal 1983. Although the general fund is reduced, the bureau's operation will remain at current level as the federal share of the program will increase.

The bureau's approved budget includes two grants. Contracted services includes \$50,000 each year for support of the health systems agency (HSA). In addition, \$13,450 was included only in fiscal 1982 to complete the Missoula city/county health planning study.

Management Services

Management services provides the personnel, accounting, data arrangement, planning, evaluation, and public information services of the department. The records and statistics bureau maintains vital statistics such as birth and death certificates.

The legislature maintained the general fund for management services at the 40 percent level as was appropriated in the 1981 biennium. The legislature authorized \$12,237 in other spending authority and 1.0 FTE records clerk in each year of the 1983 biennium with the passage of SB 245. This bill increases the cost of certificates from \$2.00 to \$3.00 per certificate.

Communicable Disease

Communicable disease control provides for identification and immunization against various communicable diseases, including smallpox, measles, rubella, polio, tetanus, and whooping cough. In addition, this program identifies, tracks, and treats gonorrhea. This program also identifies and educates the public about health problems such as hypertension, heart disease, and diabetes.

The legislature approved a federally funded risk reduction project which includes 1.5 FTE per year, \$59,000 federal authority in fiscal 1982, and \$65,000 federal authority in fiscal 1983. This project is aimed at education of high health risk groups such as smokers and those with high blood pressure. Additional general fund totalling \$5,000 in fiscal 1982 and \$5,425 in fiscal 1983 for emergency biologicals, such as rabies vaccine, is appropriated. The tumor register program, as defined in SB 37, is funded for 1.5 FTE per year. This program costs \$46,100 general fund in fiscal 1982 and \$48,782 general fund in fiscal 1983.

Laboratory Division

The laboratory division provides laboratory services and technical support to all health department programs. The laboratory had been the primary recipient of public health service funds (314d) over the past several years. Because these federal funds have been cut off, the legislature thoroughly examined the functions of the laboratory division. The microbiological laboratory was determined to be performing public health services and thus is funded primarily with general fund.

The chemistry lab was found to be doing approximately two-thirds of its work for EPA and other federal projects and the remaining one-third of its work for general fund projects. Thus, the chemistry lab is funded at one-third general fund. The FTE for the division is reduced from 28.5 to 19.0 at the department's request. The department maintained that the same amount of work can be done with fewer staff.

Health Facilities Division

This division is responsible for the state licensing and federal certification of medical facilities in the state. Also included in this division is the emergency medical services (EMS) program. The EMS program licenses ambulances, develops training programs for emergency medical technicians, is responsible for the poison control system, and manages federal EMS grants made to locals.

Licensing and Certification - The health facility general fund base is increased \$47,749 in fiscal 1982 and \$42,694 in fiscal 1983 due to a reduction in federal reimbursement for licensing and certification of skilled nursing facilities. These functions are also mandated by MCA 50-5-201 through 50-5-221. Although federal funds have decreased, the program's activities will remain at current level as general funds are increased.

Emergency Medical Services(EMS) - The EMS bureau is reduced by 1.0 clerical FTE at the department's request. Operating expenses are increased \$20,000 per year above current level for travel expenses and per diem for emergency medical technicians attending workshops and certification tests. This addition is entirely from the general fund.

Food and Consumer Safety

This bureau has responsibility for the health inspections and licensing of restaurants, hotels, motels, and trailer courts. In addition, technical support is provided for local mosquito management programs and local sanitarians.

The food and consumer safety program is reduced 3.0 FTE by request of the department due to the decline in federal funds. The department originally requested a reduction of 4.0 FTE, but the legislature reduced only 3.0 FTE to allow the mosquito control program to continue. The department does not anticipate program cutbacks, but due to fewer staff, contacts made with local health departments will decrease.

Solid Waste Management

This bureau is responsible for all solid waste disposal (landfills) and the junk vehicle program. The legislature began to general fund this program due to the decrease in federal solid waste funds. In past bienniums, the solid waste program was carried out entirely with federal funds. The general fund for the solid waste program totals \$33,262 in fiscal 1982 and \$48,639 in fiscal 1983.

No funds were appropriated or authorized for the hazardous waste program because the program is fully federally funded. However, these

funds must be matched with 25 percent general fund in the 1983 biennium if the state maintains the primary responsibility for the program. Without general fund, the primary responsibility for the program will return to the federal government. Language is included in HB 500 to allow budget amendment(s) during the 1983 biennium for federal hazardous waste spending authority only if there is no commitment for future general fund support.

Air Quality

The air quality bureau is responsible for the development and enforcement of state and federal air quality standards. Activities include baseline air quality studies, analysis and granting of variances, impact studies, and enforcement.

The legislature appropriated \$35,512 general fund in fiscal 1982 for an air study of the Scobey area after the Canadian power plant across the boarder begins operation. The Canadian government has agreed to abide by U.S. air quality standards and this study will determine if the power plan is in compliance.

Occupational Health

This bureau monitors radiation risks, provides assistance to communities developing noise controls, and provides technical assistance for removing hazardous pollutants in work places. Primary emphasis for the past three years has been and will continue to be focused on radiation, especially in the Butte-Anaconda area.

In fiscal 1982, two additional FTE and \$131,708 federal spending authority are included in the budget for administration of federal programs. These FTE and the related spending authority are not included in fiscal 1983 as the department felt these federal funds were uncertain.

Subdivisions

This bureau is responsible for the approval of water and sewer systems on nonagricultural-use land parcels less than 20 acres in size. When subdivisions needing review have five or less plots, the bureau contracts with local counties (if possible) to review the subdivisions. The bureau is funded entirely from revenues charged to land subdividers.

The legislature reduced the size of the bureau from the fiscal 1981 level of 6.0 FTE to 4.0 FTE and also reduced operating expenses. This was done because the bureau projects it will not receive sufficient revenues from the subdivision review fee to support the 1981 biennium operating level.

The staff and operating expense reductions will allow the bureau to operate within anticipated revenue collections. House bill 179 increases the fees from a maximum rate of \$25/lot to \$30/lot and also raises the payment to counties reviewing subdivisions from \$15/lot to \$20/lot. If counties do not do the review or if the subdivisions needing review are greater than five plots, the increased fee will go to the department of health.

Legal Division

In fiscal 1980, the legal division was created during departmental reorganization. It provides legal services for the department and is funded by charging user divisions (within the department) for services on an hourly basis.

The legislature removed all general fund from this program and directed that all revenue be derived from the division's existing revolving account. One additional FTE was authorized. It was the legislature's intent that if this position is not used within the legal division, it may not be transferred elsewhere in the department.

Maternal and Child Health

This division is responsible for health programs centered around the child through the pre-school age. Programs include family planning, women, infant and children food programs, child nutrition, and handicapped children services. The department requested and the legislature approved that the nursing bureau be merged into this division to reduce duplication of services. This merger resulted in a net decrease of 3.75 FTE.

In addition, the legislature removed general fund and federal spending authority of anticipated expenditures for contraceptives within the family planning program. This reduction includes \$41,363 general fund and \$38,501 federal authority in fiscal 1982, and \$41,996 general fund and \$45,056 federal authority in fiscal 1983. General fund remaining in the family planning budget is \$22,950 per year which is the amount required to match federal Title 20 funds received from the department of social and rehabilitation services for family planning purposes.

Due to discrepancies in the amount of rent needed, it was the intent of the legislature that rent be line itemed for this division. The amount budgeted for rent totalled \$80,598 in fiscal 1982 and \$80,977 in fiscal 1983.

Dental Health

The department requested and the legislature approved a federally funded expansion of the dental bureau. The expansion includes \$376,169 in federal spending authority for a statewide dental education, screening, and treatment project and \$57,600 for grants to communities interested in fluoridating their water supplies.

Supplemental - FY1981

The department requested a general fund supplemental totalling \$244,000.

The legislature appropriated \$108,337; \$45,000 to the laboratory, \$33,000 for increased state match for federal licensing and certification funds, and \$30,000 for polychlorinated biphenyls (PCB) expenses.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

<u>General Fund</u>	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>	<u>Biennium 1983 Totals</u>
Executive Request	\$ 51,269,283	\$ 57,435,101	\$108,704,384
Appropriation	<u>54,703,137</u>	<u>59,838,981</u>	<u>114,542,118</u>
Approp. over(under) Exec.	\$ 3,433,854 =====	\$ 2,403,880 =====	\$ 5,837,734 =====
Percent over(under) Exec.	6.7	4.2	5.4
<u>Total Expenditures</u>			
FTE	1,119.96	1,119.96	1,119.96
Executive Request	\$ 72,388,730	\$ 79,621,803	\$152,010,533
Appropriation	<u>79,315,863</u>	<u>85,318,614</u>	<u>164,634,477</u>
Approp. over(under)Exec.	\$ 6,927,133 =====	\$ 5,696,811 =====	\$ 12,623,944 =====
Percent over(under) Exec.	9.6	7.2	8.3
<u>Biennial Comparison</u>	<u>1981 Biennium</u>	<u>1983 Biennium</u>	<u>Percent Increase</u>
General Fund	\$ 85,500,994	\$114,542,118	34.0
Total Expenditures	127,571,234	164,634,477	29.0
Expend. with Pay Plan Est.	127,571,234	170,828,200	34.0
Ending Year FTE	1,053.31	1,119.96	6.3

SRS expenditures increase faster than inflation due primarily to an expanding AFDC case load which also affects medicaid and eligibility determination costs. The FTE increase is due mainly to added eligibility determination staff. General fund increases faster than other funds because Title XX and vocational and visual federal funds are not keeping pace with program growth.

Assistance Payment: The assistance payments program includes aid to families with dependent children (AFDC), supplemental security income (SSI) payments, food stamps, and commodities.

The largest program is AFDC. The family payment standard was raised to 55 percent of the poverty index. It was 55 percent in fiscal 1980, but due to increasing case load dropped to 50 percent in fiscal 1981. The number of AFDC families has grown and the legislature budgeted for 7,230 families per year. The average case load is close to 7,000 in fiscal 1981 for the first time since fiscal 1975.

Title IV-A will be used to pay day care for AFDC families. The payment goes to the family rather than the day care provider. Using IV-A puts 65 percent of the day care cost on the federal government. Counties will pay about six percent of the day care or \$81,789 in the 1983 biennium. This procedure results in a general fund savings of about \$886,000 for the 1983 biennium.

FTE are expanded as 4.2 field staff are moved from the administration program to help monitor the AFDC and food stamp programs to reduce errors.

House bill 258 provides for a work experience and training program to be coordinated, whenever fiscally advantageous, with the federal WIN program. It will provide recipients of AFDC payments an opportunity to contribute to society, to improve their skills and increase their employment opportunities and to promote their self-sufficiency. SRS is also to explore the feasibility of expanding this program to include recipients of other forms of public assistance. General fund of \$107,730 and other funds of \$200,070 are appropriated for this activity.

The commodities program has expanded. The federal government will pay 75 percent of the costs for administration of the Indian programs and

nothing for non-Indian programs. The Indian reservations will pay the remaining 25 percent of the administration costs on reservations. General fund of \$123,548 is recommended for administration of the non-Indian commodity program which primarily serves state institutions.

Funding for a management information system was appropriated again. Funds have been appropriated for this project for at least the last two bienniums. SRS started the project planning phase in the 1981 biennium. SRS assured the legislature that the project will be complete in fiscal 1984. A federal grant pays 90 percent of the project costs.

State supplements to federal supplemental security income is continued at current level which is \$693,187 in fiscal 1982 and \$717,313 in fiscal 1983.

Social Services: The social service program supports both county and state staff including part of the county director's salary, foster care, day care for child protection, the WIN program, legal services for indigents, family planning contracts with the department of health, subsidized adoption, spouse abuse, child abuse prevention, and training grants to the universities.

Administration of this program and a federally funded child abuse program added by budget amendment in the 1981 biennium are continued at current level.

Spouse abuse is increased \$3,000 a year to \$75,000 in house bill 500. House bill 800 appropriates \$81,000 for regional shelters or safe homes for victims as provided in 40-2-404, MCA. Marriage license fees were increased by \$5 to reimburse the general fund for the added cost.

Day care rates are raised a dollar per day for fiscal 1982 and \$.50 a day for fiscal 1983. The day care rate per day for homes is not to exceed \$6.00 in fiscal 1982 and \$6.50 in fiscal 1983. The rate per day is not to exceed \$7.00 in fiscal 1982 and \$7.50 in fiscal 1983 for day care centers.

Sliding scale day-care is discontinued. This program failed to address the financial disincentive for working parents to leave welfare and its cost was increasing rapidly.

Title XX funds will not be used for AFDC day care in the 1983 bien-nium. The legislature recommends this change as: 1) new Title XX day care regulations are not clear and appear to be costly to implement and monitor; 2) Title XX funds are capped while Title IV-A are not capped and can be used for day care.

Subsidized adoption is increased from \$45,000 in fiscal 1981 to \$90,000 in fiscal 1982 and \$135,000 in fiscal 1983. This program provides financial help so families can adopt groups of children or handicapped children. The cost per child is less than foster care payments.

Foster care is increased 10 percent a year above the expenditure rate anticipated for fiscal 1981. The recommended foster care home payments are as follows:

	<u>Fiscal 82</u>	<u>Fiscal 83</u>
Foster Home 0-12	\$220	\$245
Foster Home 13-up	\$275	\$300

Eligibility Technicians: This program is the county staff who determine eligibility for AFDC, food stamps, medical assistance and other income main-tenance programs. Funding comes from county and federal funds only. The FTE increased 68.8 positions above current level for a total of 326.81 FTE. SRS believes the additional staff is necessary to handle the increased number of households using food stamps and the increased AFDC case load.

Administration and Support: As the agency requested, six field super-visor positions are transferred to other programs. Two FTE are added, one

is transferred from another bureau to do data processing and the other is a manual writer.

A new high speed printer and two word-processing devices are recommended. These should allow SRS to increase word-processing staff effectiveness 30 percent.

Medical Assistance

General fund medicaid benefits are appropriated as shown below:

	<u>Fiscal 1982</u>	<u>Fiscal 1983</u>
Cash - Noninstitutions	\$25,599,848	\$27,931,063
Cash - Institutions	3,134,021	3,363,523
Accrual - Current Year	4,350,000	4,785,000
Minus Prior Year Accrual	<u>(3,954,606)</u>	<u>(4,350,000)</u>
Total	\$29,129,263	\$31,729,586

Medicaid expenditures increased faster during fiscal 1981 than appropriated by the 1979 legislature. However, by receiving an appropriation for fully accruing outstanding medicaid bills in HB 94 the agency has enough cash to cover the increased expenditures and avoid program cutbacks required in HB 483 of the 46th session.

Medicaid accrual procedures have been a problem for monitoring cost control and expenditures for several years. Therefore, two separate appropriations for medicaid, one for cash the other for accruals, are in HB 500. The accrual in HB 500 shows as the total accrual amount, however, actual expenditures for accrued medicaid bills increase only by growth in the accrual each year.

Language almost identical to that included last biennium is in the bill. It requires SRS to limit the amount, scope and duration of medicaid services provided if appropriated funds are not sufficient to provide medicaid for all eligible persons.

Nursing homes comprise about half the medicaid benefit budget. The legislature discussed the following statement of intent for SRS to develop a better formula for establishing nursing home rates.

STATEMENT OF LEGISLATIVE INTENT

During the 1983 biennium, the department of social and rehabilitation services will conduct the research and develop procedures prior to July 1, 1982, necessary to determine the advisability of:

1. Reimbursing the lesser of the aggregate of upper limits for cost centers in a facility or actual audited cost to which would be added an incentive amount for containing costs within a target range.

2. Setting the upper limits in each cost center according to reasonable number of staff, hourly cost of staff, and cost per patient for other operating costs.

3. Establishing the reasonable number of staff in cost centers associated with medical care according to data from assessments of patient care required in each facility, which assessments will be performed routinely by facility professionals and randomly audited by independent professionals.

4. Establishing the reasonable number of staff in cost centers associated with routines of daily living according to standards based on generally accepted professional advice and/or comparisons among Montana facilities having common characteristics, which characteristics have been defined through research to correlate significantly with the number of staff present.

5. Establishing the reasonable hourly cost of staff and cost per patient day for other operating costs in each cost center according to comparisons among Montana facilities having common characteristics, which characteristics have been defined through research to correlate significantly with those costs.

6. Maintaining the limitation principles for property costs established for the 1983 biennium.

The department will use the following work plan to do the research and development and will be prepared to work with the legislative finance committee staff and provide the legislative finance committee with periodic progress reports.

	<u>WORK ELEMENT</u>	<u>COMPLETION DATE</u>
COST REPORT		
1.	Design revised nursing home cost report specifying cost data according to intended control centers.	Completed
2.	Distribute revised nursing home cost report forms to participating facilities so that cost information for fiscal years ending in calendar year 1980 will be reported on the new form.	In Progress
3.	Facilities return completed cost reports within three months of the close of calendar year 1980.	April 1, 1981
4.	Desk or field audits of all 1980 cost reports completed.	October 1, 1981
PATIENT ASSESSMENT		
5.	Evaluate alternative patient assessment instruments, coordinate evaluations with the state department of health and environmental sciences and select version to be employed in Montana.	May 1, 1981
6.	Pilot implementation of patient assessment instrument in selected participating facilities, make final revisions in instrument and produce instruction manual.	August 1, 1981
7.	Design forms management procedures and computer processing requirements for processing monthly submission of patient assessment data.	October 1, 1981
8.	Revise nursing home reimbursement rules to require participating facilities to submit monthly patient assessment reporting forms.	October 1, 1981
9.	Distribute patient assessment report forms to participating facilities so that each month, beginning with October, the department will receive assessment data.	October 1, 1981

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|---|------------------|
| 10. Design patient assessment audit procedures and time study. | October 1, 1981 |
| 11. Complete audit of first three months of patient assessment reports. | February 1, 1982 |
| 12. Evaluate initial patient assessment audit and revise procedures as indicated. | March 1, 1982 |
| 13. Complete time study and define staffing requirements for various levels of care difficulty. | March 1, 1982 |

STATISTICAL STUDY

- | | |
|--|------------------|
| 14. Design study requirements to include characteristics that may correlate with staff requirement costs associated with routines of daily living, hourly cost of staff and cost per patient day for other operating costs, with the intention of determining comparative groups of facilities with common characteristics and setting limits on cost elements for those groups. | October 1, 1981 |
| 15. Gather data for study. | February 1, 1982 |
| 16. Generate the statistical study, evaluate the results and compare where appropriate with standards based on generally accepted professional advice and standards in other states. | March 1, 1982 |

PROPERTY COSTS

- | | |
|--|------------------|
| 17. Design study requirements to evaluate current methods of reimbursement for property costs. | October 1, 1981 |
| 18. Gather data for study. | February 1, 1982 |
| 19. Evaluate the results and determine alternatives or revisions if appropriate. | March 1, 1982 |

DEFINE REIMBURSEMENT RULES & PROCEDURES

- | | |
|--|--------------|
| 20. Written description of reimbursement limits and their justification prepared. | May 1, 1982 |
| 21. Design rate issuance procedures and computer processing requirements for generating new rates based on new limits. | July 1, 1982 |
| 22. Schedule prepared for public hearing and implementation of new reimbursement rules. | July 1, 1982 |

General fund is appropriated for a program called "buy-in." This pays the medicare premiums for people who would otherwise use the medicaid program. It grew considerably during the 1981 biennium and general fund of \$679,250 in fiscal 1982 and \$747,175 in fiscal 1983 is recommended as the agency requested.

Administration of the medicaid program is increased 2.81 FTE. One is for the health underserved rural areas, HURA, and 1.80 is field staff transferred from the administration program. These field staff are to provide better implementation of rule changes and hopefully reduce the error rates.

The cost of processing medicaid claims has increased from \$663,358 in fiscal 1980 to \$981,636 in fiscal 1982. The contract for nursing home rate review decreased from \$375,361 in fiscal 1980 to \$57,173 in fiscal 1982.

Audit and Program Compliance: Contract audits for nursing homes are \$630,000 for the biennium. By contracting the nursing home audits the SRS audit staff should be able to do the less complex audits of food stamps, developmentally disabled providers and aging service programs.

Vocational and Visual Rehabilitation: These two programs have three sources of federal funds which are decreasing or increasing slower than inflation. Only one federal fund "Section 110" requires a match. For the 1983 biennium the legislature appropriated \$700,000 more general fund for administration than the 20 percent match requirement. Even with this increase FTE were reduced 12 percent or 14 positions. Language is included in the bill directing SRS to make administrative economies and maintain direct services to clients.

Dollars spent for client benefits are funded at the federal support level with the appropriate general fund match.

General fund benefits for medical services to the blind and for extended employment are continued at current level with inflation adjustments. Renal disease was funded at \$125,000 each year.

Disability Determination: This program supports costs related to determining disability. The assessment is needed to qualify clients for federal SSI payments and the state medically needy program. This program is supported with federal funds except for about \$10,000 a year general fund to evaluate medically needy. Increased federal funds are expected to be available to evaluate the eligibility of SSI clients.

Youth Development: State financial support of the 4-C's program was discontinued. County or third-party funds are expected to pay 25 percent of the family teaching contract which was previously all general fund.

In the 1981 biennium when social services budgeted for achievement homes they had disregarded ten percent of the revenue available to the homes from the youth development program. The legislature funded the achievement homes at the rate established by social services, but did not fund the revenue which was disregarded.

Veterans' Affairs: The FTE are reduced by two secretarial positions which became vacant during the 1981 biennium. Secretarial contracts with the VFW and DAV are continued at current level. These contracts provide approximately a half-time secretary for each organization.

A WATS line is added for the veterans' district service offices.

The legislature feels veterans' affairs needs to improve their work load measurements. The program is to report quarterly to the legislative finance committee on their work load reporting system and statistics.

Developmental Disability Division (DDD): DDD was authorized \$9,060,500 in fiscal 1982 and \$9,915,258 in fiscal 1983 to maintain current level community programs to the developmentally disabled. The following table shows funding by service category and number of slots to be funded.

Developmental Disabilities Division
Community Services
Current Level

	<u>FY1981</u>	<u>FY1982</u>	<u>FY1983</u>	<u>% Change 82-83</u>
Day Programs	\$ 4,496	\$ 4,900	\$ 5,292	
Slots	944	944	944	
Cost	\$4,243,996	\$4,625,600	\$4,995,648	8.00
Transportation	\$ 652	\$ 756	\$ 877	
Slots	882	882	882	
Cost	\$ 574,625	\$ 666,792	\$ 773,479	16.00
Adult Home				
P/S	\$ 2,752	\$ 3,082	\$ 3,452	
Operations	546	601	661	
	\$ 3,298	\$ 3,681	\$ 4,113	
Slots	396	396	396	
Cost	\$1,305,848	\$1,457,676	\$1,628,748	11.74
Children Homes				
P/A	\$ 9,710	\$ 10,875	\$ 12,180	
Operations	1,926	2,119	2,330	
	\$ 11,636	\$ 12,994	\$ 14,510	
Slots	46	46	46	
Cost	\$ 535,257	\$ 597,724	\$ 667,460	11.67
Semi-Independent	\$ 2,587	\$ 2,820	\$ 3,045	
	133	133	133	
Cost	\$ 344,067	\$ 375,060	\$ 404,985	8.00
Respite Care	\$ 416	\$ 453	\$ 490	
Slots	474	474	474	
Cost	\$ 197,392	\$ 214,722	\$ 232,260	8.17
Family Services	\$ 2,411	\$ 2,628	\$ 2,838	
Slots	344	344	344	
Cost	\$ 829,323	\$ 904,032	\$ 976,272	8.00
Evaluation/Diag.	\$ 161,623	\$ 176,169	\$ 190,263	8.00
Adapt. Equip.	39,197	42,725	46,143	
Total Cost	\$8,231,328	\$9,060,500	\$9,915,258	9.43

The legislature authorized \$1,885,163 in the 1983 biennium for expanded community services for developmentally disabled clients. Although no direct funding was authorized for further deinstitutionalization, resident movement from Boulder river school and hospital and Eastmont may take place due to attrition within community programs.

Fifty thousand dollars was appropriated per year in the 1983 biennium to upgrade salaries for community group home workers. The legislature also recommended that 8.25 regional trainers positions become FTE instead of contracted employees.

Language in the appropriation bill states the department of SRS is encouraged to utilize medicaid funds to support community services for the developmentally disabled where the use of such funds is cost effective in providing services in the least restrictive environment. The department may also use any savings generated from the budget for the developmentally disabled to develop additional community services.

The legislature voiced great concern over the financial and client reporting of the community developmentally disabled group homes and provided that SRS shall assure reporting of financial transactions through a uniform accounting system. No money may be disbursed to the homes after July, 1982, unless the director of SRS certifies to the legislative finance committee that the group homes are recording and reporting financial information uniformly.

Developmental Disabilities Planning and Advisory Council (DDPAC)

DDPAC was authorized \$250,000 of federal funding for each year of the 1983 biennium. Language in the appropriations bill states that no more than \$175,000 for the biennium may be used for DDPAC. Any federal money

received above that amount may be spent only to improve direct client services as recommended by the council and approved by the SRS director.

Aging Services: Administration costs of this program are maintained at current level. General fund pays 25 percent of the administration.

Federal funds for grants are projected to remain constant at the fiscal 1981 level of \$3,136,501 per year. General fund to match these federal funds are \$188,428 per year. The general funded information and referral program which was \$100,000 per year in the 1981 biennium is increased to \$110,000 in fiscal 1982 and \$121,000 in fiscal 1983.

House bill 217 appropriates \$250,000 for the 1983 biennium for aging services. None of the funds may be spent for administrative costs at either the state, area, or local levels.

The legislature included language in the bill to require any area agency on aging which contracts with SRS to hold open meetings according to Title 2, Chapter 3, MCA.

Community Services - DCA: The community service program was transferred from the department of community affairs to the department of social and rehabilitative services. This program is to be merged into the organizational structure of SRS or transferred to another state agency by approval of the governor's office.

LONG RANGE BUILDING

The long range building program authorizes construction, improvements and acquisitions totalling \$60,294,450 as authorized in HB's 666, 837, 872, and 841. The state is authorized to sell \$36,550,505 of bonds to pay for a portion of the authorized expenditures. The bonding authorization includes \$717,000 of bonds reauthorized for the Montana school for the deaf and blind and \$35,833,505 for new projects approved by the 1981 legislature.

Table 1 shows the approved bonded projects and the annual debt service requirements by fund.

Table 1
Long Range Building Program Projects
Financed with Long Range Building Bonds
Assumes 20 Year Serial Bonds at 8.5% Interest

<u>Project</u>	<u>Bonds to be Sold</u>	<u>Other Fund Debt Service</u>	<u>Long Range Sinking Fund Debt Service</u>
Workers' Compensation Bldg.	\$ 4,000,000	\$ 416,554	\$
Job Service, Polson	500,000	52,069	
Job Service, Hamilton	500,000	52,069	
Bond Reauthorization MSDB	717,000		74,667
Visual Communications, MSU	4,598,000		478,829
Cottage & Food Service, MSDB	2,000,000		208,277
Vo-Tech, Butte	3,769,505		392,550
Cisel Hall, EMC	1,190,000		123,925
Fine Arts, UM	7,500,000		781,038
Gym, MSDB	2,300,000		239,518
Veteran's Facility	1,850,000		192,656
Children's Unit	2,626,000		273,467
Capitol Remodel (HB 478)	5,000,000	520,692	
Total	<u>\$36,550,505</u>	<u>\$1,041,384</u>	<u>\$2,764,927</u>
HB 564 authorizes \$31,550,505 in LRBP Bonds.			
HB 478 authorizes <u>5,000,000</u> in LRBP Bonds.			
Total Authorized \$36,550,505			
=====			

The debt service for the workers' compensation building and job service buildings will be paid in the form of rent payments from earmarked and federal funds and are not a liability of the state general fund. The capitol building bond debt service is to be paid from the capitol land grant federal and private revenue account.

The sale of \$26,550,505 of new general fund bonds will bring the total general fund bonded indebtedness for building construction to \$49,405,505.

Table 2 shows the bonds outstanding at 7/1/81 and the proposed issue to be sold sometime in fiscal 1981.

Table 2
Bonds Outstanding at 7/1/81 and
Proposed Bond Issues

<u>Issue</u>	<u>Date Authorized</u>	<u>Amount Sold</u>	<u>Outstanding Balance</u>
Series I	1965	\$ 8,640,000	\$ 4,715,000
Series II	1967	11,050,000	7,160,000
<u>1979</u>	<u>1979</u>	<u>11,130,000</u>	<u>10,980,000</u>
Total Current		\$30,820,000	\$22,855,000
1981	1981	<u>26,550,505</u>	<u>26,550,505</u>
Total Debt		\$57,370,505	\$49,405,505 =====

Those projects whose bonds will be paid from the long range sinking fund are essentially being financed by the state general fund. Eleven percent of the Montana individual income tax and corporation license tax revenue along with a share of the cigarette tax goes into the sinking fund for payment of bond debt service. Any unused portion of the sinking fund is deposited to the general fund. Previous to the 1981 legislature 4.35¢ of the

12¢ tax on each package of cigarettes was initially deposited in the long range building sinking account. HB 635 amended the disposition of the cigarette tax allocating 8.76¢ of the tax per package to the sinking account. The additional 4.41¢ was previously deposited directly into the general fund. The general fund revenue collections will initially be reduced about \$4,000,000 annually while the sinking fund revenue will increase a like amount. Any sinking fund revenue in excess of that needed to service the bonded debt will be redeposited in the general fund. The net effect on annual general fund collections is negligible due to the change. The adjustment gives greater capacity to the sinking fund.

Nearly \$30 million per year will pass through the sinking fund annually to service the bonds with any excess deposited into the general fund. The new general fund bonds will cost \$2,764,000 annually for repayment of principle and interest. The first year bonds are sold, an amount equal to the largest annual debt service will be maintained in the sinking fund to provide a bond reserve.

The appropriation to remodel the capitol building is for \$6,750,000. Only \$5,000,000 of bonds will be sold. Remodeling the capitol will be accomplished over an extended period and interest earned on the unspent portion of the bond proceeds should generate \$1,750,000 before all bond proceeds are spent.

Table 3 shows construction, acquisitions, and remodeling and repair appropriations from the capitol building federal and private revenue account.

Table 3
Capitol Building FPRA

Department of Administration	
Replace Roofs	\$ 70,000
Land Acquisition and Improvements	50,000
Capitol Building Remodel	1,750,000
Acquire Office Facilities	2,150,000
Capitol Renovation (HB 872)	<u>15,000</u>
Total	\$4,035,000

Table 4
Bond Proceeds and Insurance Clearance
Account Fund Status

Cash Portion

Estimated Beginning Balance (7/1/81)		\$ 2,715,861
Fiscal 1982 Projected Revenue		3,724,894
Fiscal 1983 Projected Revenue		3,856,988
Interest Revenues on Bond Proceeds		<u>3,440,884</u>
Total BPICA Funds Available		\$13,738,627
1983 Biennium Long Range Building Program	\$11,700,007	
Architecture and Engineering Operations	<u>775,295</u>	
Appropriations by 1981 legislature		\$12,475,302
Estimated Ending Balance 6/31/83		\$ 1,263,325

The appropriation to acquire office facilities anticipates the purchase of office buildings currently housing the office of public instruction, the department of institutions on 11th avenue, and the DCA building on ninth avenue in Helena.

The long range building bond proceeds and insurance clearance account, often called the "cash" building account, has appropriations of \$11,700,007. This fund provides for most ongoing maintenance and remodeling of state buildings. Revenue into this account is generated by 3.24¢ per package of cigarette tax and interest earned on unspent proceeds from bond sales. As shown in table 4, funds available for the 1983 biennium are estimated to be \$13.7 million.

Table 5 lists long range building appropriations from this account. Included in the table is \$75,000 appropriated from the cash account by HB 841 to upgrade a neutrons analyzer at Montana Tech.

Table 5
Long Range Building Appropriations

Prison Guard Tower (HB 837)	\$ 255,000
Modify Toilets, Spratt Building, Warm Springs	18,000
Repair Cottage Showers, Boulder	150,000
Auxiliary Heating System, Fort Harrison (\$7,500 fed.)	2,500
University System Maintenance	1,038,050
Replace Roofs, State Institutions	245,000
Energy Retrofit, State Facilities	2,250,000
Modify Bathrooms and Laundry, Eastmont	57,000
Miscellaneous Repair, Registrar's Bureau	10,000
Handicapped Accessibility, University System	500,000
Complete Cottage, School for the Deaf and Blind	700,000
Kitchen Repairs, Veterans' Home	21,300
Maintenance and Life/Safety Repairs, Warm Springs	149,200
Maintenance, DNRC	25,000
Water Tower Maintenance, Institutions	45,000
Maintenance and Repairs, Galen	154,000
Complete Science Building, Montana Tech	200,000
Sealcoat Taxiways, Military Affairs (\$9,000 fed.)	3,000
Sprinkler System, Veterans' Home	47,000
Upgrade Prison Perimeter Security	59,000
Sewage Treatment Plant, Warm Springs (\$1,059,188 fed.)	348,050
Remodel Cowan Hall, NMC	150,000
Enlarge Pharmacy, Center for the Aged	11,885
Clinical Psychology Building, U of M	440,000
Plan DNR Building	400,000

Computer Site Modification, EMC	100,000
Improve Water System, Capitol Complex	380,000
Boiler, Helena Armory	40,000
Boulder Cottage Maintenance	75,000
Canyon Ferry State Recreation Area (\$124,500 fed.)	124,500
Religious Activity Center architect fee	25,000
Repair Boiler, Deer Lodge Armory	4,000
Repair Walls, Fort Harrison	25,000
Convert Spruce Cottage	67,800
Boulder Maintenance	26,200
Weatherproof Maintenance Facility, Fort Harrison	6,250
Crafts Building, WMC	200,000
Sidney Experiment Station	85,000
Harlowtown Armory (\$415,500 fed.)	179,500
Havre Armory (\$415,500 fed.)	164,500
Historical Society Maintenance	88,000
Elevator	55,000
Cogswell Safety Improvement	60,400
Montana Tech Neutron Analyzer (HB 841)	75,000
Pine Hills SID	9,872
Custer Cemetary	50,000
Animal Lab - MSU	2,180,000
Swan River Recreation Building	400,000
Total Expenditures	\$11,700,007

Appropriations from earmarked and federal and private funds other than the capital land grant account total \$8,725,938. Table 6 lists the appropriations by department.

Table 6
Appropriations by Department

<u>Dept. of Fish, Wildlife and Parks</u>	<u>Earmarked Funds</u>	<u>Federal & Private Funds</u>
Regional Headquarters Maintenance	\$ 20,000	\$
Fishing Access Site Protection	25,000	75,000
Lewis & Clark Cavern Improvements	50,000	
Giant Springs Park Improvements	150,000	150,000
Wildlife Management Area Improvements	24,000	72,000
Rosebud Battlefield Improvements	20,000	
Bannack State Monument	12,500	12,500
Makoshika State Park Improvements	60,000	21,000
Salmon and Placid Lake Paving		200,000

	<u>Earmarked Funds</u>	<u>Federal & Private Funds</u>
Purgatory Hill Monument Improvement		34,000
Canyon Ferry Recreation Area Improvement		124,500
Council Grove Monument Improvement	55,000	55,000
Custer Cemetery		50,000
Fort Owen Acquisition and Development	10,000	
Fishing Access Site Acquisition	1,175,000	1,175,000
Wildlife Habitat Acquisition		750,000
<u>Department of Highways</u>		
Micellaneous Maintenance and Construction	500,000	
<u>Department of Institutions</u>		
Sewage Treatment Facility, Warm Springs		1,059,188
<u>Department of Military Affairs</u>		
Harlowton Armory		415,500
Havre Armory		415,500
Fort Harrison, Auxiliary Heating System		7,500
Weatherproof Maintenance Building, Fort Harrison		18,750
Sealcoat Taxiways		9,000
Butte Armory Addition		615,000
<u>University System</u>		
Farm Mechanics Buildings, NMC		150,000
Lubrech Forest Equipment Station		115,000
Fine Arts Facility U of M		1,100,000
Total	\$2,101,500	\$6,624,438

Project Description

DEPARTMENT OF ADMINISTRATION

1. Replace Roofs: Replace roofs on the old agriculture building and the veterans' memorial building to prevent further deterioration of the facilities caused by existing roof leaks. The breakdown is as follows: agriculture building: \$12,000; museum: \$58,000; totalling \$70,000.

2. Retrofit State Buildings for Energy Conservation: Continue a long term program to reduce the consumption of energy through retrofitting of state buildings.

3. Replace Elevator, Surplus Property Building: Install new elevator as required by the uniform building code to eliminate a life safety hazard.

4. Acquire Office Facilities, Helena: Purchase three structures presently housing state agencies at 1424 ninth avenue, 1300 eleventh avenue, and 1539 Eleventh avenue.

5. Renovate State Capitol Building: Renovate the state capitol to accommodate legislative committee rooms, offices, a formal hearing room, and other ancillary functions.

6. Improve Water system, Capitol Complex: Replace existing water lines that are undersized and thus inadequate in the event of a major fire. Improvements to the distribution system are necessary to maintain service in an area that has experienced considerable development.

7. Safety Improvements, Cogswell Building: Provide a variety of improvements in the laboratory areas in the cogswell building that include, but are not limited to, new vinyl flooring, floor drains, eyewash stations, and safety windows.

8. Land Acquisition and Grounds Improvements, Capitol Complex: Acquire property as it becomes available to develop the capitol complex in accord with the 1972 planning study, and provide improvements to undeveloped state property such as landscaping and parking lots.

9. Plan Natural Resources Building: Prepare complete plans for the construction of a natural resources and conservation building which will facilitate consolidation of the department in one location.

DEPARTMENT OF FISH, WILDLIFE AND PARKS

1. Regional Headquarters Maintenance: Repair and provide minor renovation to facilities located throughout the state.

2. Fishing Access Site Protection: Provide minimal improvements to make sites usable for the public and to protect them from abuse.
3. Lewis and Clark Caverns Improvements: Replace and upgrade the electrical system within the caverns to eliminate an existing safety hazard.
4. Giant Springs-Heritage State Park Improvements: Pave existing roads and install additional recreation equipment.
5. Fishing Access Acquisitions: Acquire sites that provide public access to state fishing waters.
6. Acquire Wildlife Habitat: Acquire approximately 6,000 acres as it becomes available for wildlife habitat and hunter access.
7. Develop Wildlife Management Areas: Develop access roads, trails, and fencing on recent and proposed acquisitions making them usable for their intended purpose.
8. Rosebud Battlefield Improvements: Restore and preserve the main ranch building as well as provide fencing to prevent livestock trespass.
9. Bannack State Monument: Continue the ongoing acquisition program and stabilize and/or restore structures in a manner compatible with this historic site.
10. Makoshika State Park Improvements: Pave the main access road in the "switchback" area to protect it from possible deterioration.
11. Acquisition and Development of Cemetery, Old Fort Custer Site: Purchase more land to expand this cemetery in Big Horn county which is used extensively for veterans.
12. Acquisition or Development, Fort Owen Monument: Continue the acquisition and development program at this historic site. Roads, parking, signage and similar improvements are all necessary.

13. Develop Ackley Lake State Recreation Area: Develop sanitary and recreational facilities in conjunction with improvements to roads and parking areas.

14. Lone Pine State Park Improvements: Provide a variety of improvements at Lone Pine state park which will include a small visitor center, caretaker facilities, road upgrading, foot trail development, and other similar items.

DEPARTMENT OF HIGHWAYS

1. Miscellaneous Maintenance and Construction Highway Facilities: Construct equipment garages, sandhouses, miscellaneous additions, and provide maintenance and/or improvements for numerous highway buildings throughout the state.

DEPARTMENT OF INSTITUTIONS

1. Modify Toilets Spratt Building, Warm Springs: Add toilet facilities to improve comfort and privacy of a relatively new facility that was originally designed for single sex occupancy.

2. General Maintenance, Boulder: Complete a variety of maintenance projects which include the following items:

Cottage Showers	\$150,000
Cottage Repairs	75,000
Central Supply Ventilation	3,200
Water Well	15,000
Hospital Smoke Barriers	<u>8,000</u>
	\$251,200

3. Replace Roofs, State Institutions: Provide major repairs and replacement of roofs at Galen, Pine Hills, and Boulder. These roofs cannot be adequately repaired through maintenance programs. The specific roofs for

\$245,000 are as follows:

Boulder River School & Hospital	
16A, B & C & Physical Therapy	\$ 57,500
Warehouse	52,500
Deep Freeze/Butcher Shop	7,000
Administration Building	<u>43,000</u>

\$160,000

Galen State Hospital	
Employee Apartments	\$ 44,000
Triplex Employee Residence	16,000
Chapel Connecting Corridor	6,000
Paint & Carpenter Shop	<u>4,000</u>

\$ 70,000

Pine Hills School	
Store	\$ 15,000

4. Modify Bathrooms and Laundry, Eastmont: Relocate laundry room and increase the number of bathing facilities in the intermediate care facility.

5. Construct Multi-Purpose Building, Swan River: Construct an addition to the existing lodge to provide space for indoor recreation and exercise.

6. Kitchen Repairs, Veterans' Home: Bring kitchen ventilation and flooring into compliance with veterans' administration requirements and life/safety codes.

7. Maintenance and Life/Safety Repairs, Warm Springs: Repair water and gas lines and bring buildings into compliance with life/safety codes. The project budget consists of the following items:

Replace Water Lines	\$ 82,000
Replace Gas Lines	44,000
Complete Life Safety Items	<u>23,200</u>
	\$149,200

8. Water Tower Maintenance, Institutions: Continue the periodic preventative maintenance program for water towers at state institutions.

9. Maintenance and Repairs, Galen: Replace floor tile that is a health and safety hazard. In addition, Crockett and Terrill wings require improved smoke barriers. The project breakdown is as follows:

Floor Tile	\$149,265
Smoke Barriers	<u>4,735</u>
	\$154,000

10. Sprinkler System, Veterans' Home: Install a sprinkler system in the new domiciliary to comply with life/safety codes and federal standards.

11. Sewage Treatment Plant, Warm Springs: Upgrade sewage treatment plant to meet EPA standards. Federal funds will pay for a major portion of this project.

12. Enlarge Pharmacy, Center for the Aged: Increase size of pharmacy to implement unit dose system and to provide adequate storage to meet state regulations.

13. Prison Chapel Design: Provide state funds to pay for architectural design work completed on the religious activities center.

14. Remodel Spruce Cottage, Mountain View: Remodel spruce cottage to house female offenders. (Further clarification of specific intent for this appropriation is included in HB 500, item #8, page 57).

15. Upgrade Prison Perimeter Security: Provide additional security and visitor control at the prison through the construction of a gate control house, fencing, and other miscellaneous items.

16. Construct Guard Tower, Prison: Construct an additional guard tower to improve security at the Montana state prison.

17. Pine Hills SID: Share in the costs of a special improvement district for water and sewer service which will benefit Pine Hills school.

18. Construct Veterans' Nursing Facility: Construct a 50-bed addition to the existing facility to care for veterans' requiring nursing treatment and expand the heating plant, kitchen facilities, and dining area as required.

19. Children's Unit, Billings: Construct a 60-bed facility for emotionally disturbed children.

DEPARTMENT OF JUSTICE

1. Miscellaneous Repairs, Registrar's Bureau: Repair entrance and exterior of the Deer Lodge facility. Sidewalks will also be repaired and replaced.

DEPARTMENT OF MILITARY AFFAIRS

1. Auxiliary Heating System, Fort Harrison: Install a heating system in the maintenance shop to heat a portion of the facility that can no longer be heated with the old hot water system.

2. Sealcoat Taxiways, Military Affairs: Seal and repair existing taxiways, helipads, and asphalt ramps at the army aviation support facility in Helena.

3. Construct Armory, Harlowton: Construct a new armory having adequate training and storage facilities to replace the present accommodations which consists of a motor vehicle storage building.

4. Construct Armory, Havre: Construct a new armory to eliminate sharing space with Northern Montana College.

5. Weatherproof CSMS, Fort Harrison: Repair existing masonry walls that are currently taking on moisture causing damage to the building interior.

6. Repair Boiler, Deer Lodge Armory: Repair the boiler which has had numerous operational problems and can no longer be serviced through normal maintenance procedures.

7. Repair Wall, Fort Harrison: Modify the structural components in the Womack armory where the north and south exterior walls join the roof.
8. Replace Boiler, Helena Armory: Replace the boiler which is inefficient and deteriorated beyond repair.
9. Armory Addition, Butte: Construct an addition to the existing national guard armory to house the U.S. army reserve.

DEPARTMENT OF LABOR AND INDUSTRY

1. Construct Polson Job Service Office: Construct a new building to alleviate crowded conditions in the existing facility. The bonded debt payments for this project will be made from federal funds.
2. Construct Hamilton Job Service Office: Construct a new building to accommodate the greater demand for services resulting from growth in the Hamilton area. Bond payments will be made with federal funds.
3. Construct Workers' Compensation Building: Construct a facility to house the workers' compensation division which has outgrown its present leased quarters.

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

1. Maintenance, DNRC: Provide funds for various maintenance and energy conservation projects at forestry division facilities.

BOARD OF EDUCATION

1. Miscellaneous Maintenance, Historical Society: Seal the exposed concrete floors, walls, and ceilings of the archives area and expand an inadequate fire detection system.
2. Complete Cottage, School for the Deaf and Blind: Complete planning and subsequent construction of a cottage to replace the present dormitory that is poorly suited for handicapped children.

3. Construct Cottage, School for the Deaf and Blind: Construct a cottage and a food service facility in order to complete the phase out of the present dormitory.

4. Construct Gymnasium, School for the Deaf and Blind: Construct a facility to provide space for physical education instruction and recreation.

5. Bond Reauthorization, School for the Deaf and Blind: Reauthorization of bonds for the completion of residential living areas at the school for the deaf and blind.

OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION

1. Construct Vo-Tech Center, Butte: Construct a new vo-tech center to house post secondary vocational education that will provide a selection of 11 different occupational programs.

UNIVERSITY SYSTEM

1. University System Maintenance: Provide funds for maintenance and minor improvements at the units of the university system. A major part of this project is to repair and replace roofs on university facilities.

2. Handicapped Accessibility, University System: Continue efforts to make university facilities accessible to students with impaired mobility. This project will provide for ramps, elevators, and the removal of barriers.

3. Computer Site Modification, EMC: Upgrade mechanical and electrical systems to accommodate the installation of a new computer.

4. Complete Science Building, Montana Tech: Supplement the appropriation of the 46th legislature to renovate an old building into an engineering science building. This project would allow completion of remodeling of the third floor.

5. Remodel Cowan Hall, Northern Montana College: Remodel Cowan hall to facilitate handicapped accessibility and life safety codes in addition to revamping the theater, data processing center, and various classrooms.
6. Farm Mechanics Building, NMC: Construct a facility for an auto diesel lab area as well as adequate space for working on large farm equipment.
7. Construct Clinical Psychology Building, U of M: Replace present space with a new facility that will provide space for students to experience interaction with real problems while providing out-patient services.
8. Remodel Craft Building, WMC: Convert a portion of the old gymnasium building to shop areas for the woodworking portion of the industrial arts department.
9. Lubrecht Forest Experiment Station: Construct a laboratory building including labs, classrooms, and eating facilities.
10. Construct A.E.S. Facility, Sidney: Construct a facility to house a sample processing laboratory, storage equipment, and machinery.
11. Construct Laboratory Animal Facility, MSU: Construct a facility, meeting federal standards, that will provide centralized holding and production for small animals used in research and teaching programs.
12. Remodel and Addition to Cisel Hall, EMC: Convert Cisel hall to serve the music department which has outgrown its present facilities. The existing building, which is unsuitable for music, will be converted to a student services building.
13. Construct Visual Communications Building, MSU: Construct new facilities to consolidate film and television programs in one location.

PARK ACQUISITION AND CULTURAL AND
AESTHETIC PROJECT GRANTS - HB 871

House bill 550 of the 1979 legislature amended the disposition and allocation of the coal severance tax by expanding permissible uses of income from the park acquisition trust fund to include preservation of art in the state capitol and other cultural and aesthetic projects. One-third of the income from the trust may be used for capitol art preservation and other cultural and aesthetic projects, two-thirds is earmarked for state park acquisition, and the operation and maintenance of sites so acquired.

Park Site Acquisitions

House bill 871 appropriated \$750,000 for acquisition of three new state park sites.

1. The Engle ranch river bottom site two miles south of Glendive on the Yellowstone river will be acquired for the lesser of \$340,000 or its appraised value. The property will provide the only public access to the Yellowstone river for several miles upstream from Glendive. Proposed uses include picnic areas, fishing access and boat launching. Major development of the site is not anticipated at this time.

2. Doeden's Island is a 200 acre site 2½ miles downstream from Miles City. For the lesser of \$110,000 or its appraised value the state will purchase the island and about four acres on the river bank for parking as well as right of way and road improvements from the county road. The site can be used for fishing, hunting, boating, camping, picnicing, and nature study. No major improvements are currently planned for the site.

3. Spring meadow lake adjacent to Helena will be purchased for the lesser of \$300,000 or the appraised value. The total acreage is in excess of 50 acres and includes a spring fed pond of about 20 acres. The area will be used for picnicing, fishing, boating, and swimming. Lewis and Clark county and other local organizations will provide labor, materials, and equipment for road and facility improvements during the 1983 biennium.

Cultural and Aesthetic Projects

Fifteen projects were appropriated a total of \$641,680 as grants for various cultural and aesthetic purposes. Table 7 itemizes the appropriations by recipient and purpose.

Table 7
Cultural and Aesthetic Projects

1.	Art Conservation, UM School of Fine Arts	\$ 37,500
2.	Conservation of Capitol Murals, Historical Society	108,489
3.	Conservation of Ralston Mural, Billings Airport	15,000
4.	Expansion Planning, Museum of the Rockies	110,000
5.	Custer County Art Center	33,960
6.	J.K. Ralston Center, Richland County	40,000
7.	Living History Program, Western Heritage Center	60,000
8.	Montana Chautaugua, University of Montana	4,262
9.	Montana Folklife Project, Montana Arts Council	51,849
10.	Montana Genesis, Stevensville	20,000
11.	Montana Literature Publication, University of Montana	7,620
12.	Montana Repertory Theater, University of Montana	21,600
13.	Montanan's At Work, Montana Historical Society	90,000
14.	Pealow Carved Ivory Collections, MCMST	1,400
15.	Restore Old Prison Theater, Deer Lodge	40,000

The 1981 legislature was the first to review proposals for park acquisition and cultural projects under the provisions of HB 550, 1979 legislature. A number of questions arose concerning the proper management of the various grants, acquisition payments, and evaluation of proposals. HB 871 gave

authority to both the department of fish, wildlife and parks and the historical society to adopt administrative rules governing the solicitation, evaluation, priority assignments, ascertainment of value and payment procedures for all projects and proposals.

The long range building committee directed the department of fish, wildlife and parks to communicate and negotiate acceptable prices on park acquisition proposals in the future. In addition, the department must evaluate each park proposal as to its value as an addition to the state park system and provide long-term cost estimates for the operation and development of each site. Certified appraisals must be provided with each proposal and reviewed by a qualified appraiser selected by the department.

The historical society shall adopt rules governing payment of cultural and aesthetic grants considering the cash flow into the interest earnings account. Proposals received for future consideration must be evaluated by the society and a recommendation made on each.

Project Descriptions

1. Art Conservation, UM School of Fine Arts, is to restore and clean paintings and prints at the University of Montana. Once restoration has been completed, the art collections will be made available for showings throughout the state.

2. Conservation of Capitol Murals, Historical Society, is to complete restoration of murals in the state capitol building and restoration of other fragile art held by the historical society.

3. Conservation of Ralston Mural - Billings Airport, is to restore and renovate the largest Ralston mural ever completed.

4. Expansion Planning, Museum of the Rockies, is to design and develop architectural drawings for new facilities at the museum of the rockies. This project will be phase I of a proposed \$3,996,000 construction project to renovate and build new facilities.

5. Custer County Arts Center, Miles City, is to plan the restoration of the old pumping plant in Miles City. The building, currently on the federal historical register, will be used for, workshops, gallery for displaying art objects, artist in residence facility, and storage of art objects.

6. J.K. Ralston Center, Richland County, is to provide partial funding for the purchase of a cultural arts center. The center, located in Sidney, will be used for senior citizens' activities, museum, arts center, lectures, and recital hall.

7. Living History Program, Western Heritage Center, is to collect and preserve historical resources by educating children and adults in western heritage. Individuals will be involved in learning the crafts, skills and life styles of particular times and eras of Montana's history.

8. Montana Chautaugua, University of Montana, is to demonstrate and show the works of Montana artists in film, dance, and literature.

9. Montana Folklife Project, Montana Arts Council, is to document the traditional cultures that existed in the State of Montana and share them with the people of Montana.

10. Montana Genesis, Stevensville, is to provide funds to purchase materials and help rebuild portions of Fort Owen.

11. Montana Literature Publication, University of Montana, is to allow the university to do a book length study on Montana writers.

12. Montana Repertory Theater, University of Montana, is to allow the Montana repertory theater to perform in small and middle size communities in

the State of Montana. Without state subsidizes, the theater could not meet expenses when performing in the smaller communities.

13. Montanan's at Work, Montana Historical Society, is to collect interviews of Montana's in selected occupations that are representative of the state work force from the period 1910-1945. The information will be used as historical resource and documentation of Montana's working heritage.

14. Pealow Carved Ivory Collection, Montana Tech, is to describe and document the 82 ivory and jade objects in the Pealow collection. A pamphlet will be published and made available for public distribution.

15. Restore Old Prison Theater, Deer Lodge, is to provide funding to help restore the old prison theater that burned down in 1975. Upon completion of restoration the building will be used as a cultural and arts facility for the Deer Lodge valley.

A P P E N D I X

AN ACT TO APPROPRIATE MONEY TO VARIOUS STATE AGENCIES FOR THE FISCAL YEAR ENDING JUNE 30, 1981; PROVIDING FOR OTHER MATTERS RELATING TO THE APPROPRIATIONS; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Time limit. The appropriations contained in this act are intended to provide only necessary and ordinary expenditures for the year for which the appropriations are made. The unspent balance of any appropriation shall revert to the fund from which it was appropriated.

Section 2. Governor's power to reduce appropriations. The governor may reduce any appropriation in this act by not more than 15%.

Section 3. Other appropriated funds. Unless otherwise indicated herein, the appropriations made under the column heading "Other Appropriated Funds" are from funds within the earmarked revenue fund, the federal and private revenue fund, the revolving fund and the current unrestricted subfund that accrue under provisions of law to the spending agency.

Section 4. Totals not appropriations. The totals shown in this act are for informational purposes only and are not appropriations.

Section 5. Appropriations. The following money is appropriated subject to the terms and conditions of this act for the fiscal year ending June 30, 1981:

Supplementals
Fiscal Year 1981

	General	Appropriated Funds	Other
JUDICIARY			
District Court Operation	\$ 27,700		
Supreme Court Operation	40,955		
SECRETARY OF STATE			
Records Management	53,655		
STATE AUDITOR	655		
COMMISSIONER OF CAMPAIGN			
FINANCES AND PRACTICES	\$ 140		
DEPARTMENT OF JUSTICE			
Antitrust Enforcement	32,833		
Law Enforcement Network System	1,400		
County Attorney Payroll	39,000		
County Prosecutor Services	19,075		
Transportation of Prisoners	19,000		
Criminal Investigation	5,655		
Personal Services Deficit	10,809		70,331
Field Services			231,400

Any collections which occur between January 1, 1981, and June 30, 1981, within the programs of antitrust enforcement and county prosecutor services will be deposited directly to the general

fund.

DEPARTMENT OF HIGHWAYS

The department of highways may transfer appropriated highway earmarked funds totaling no more than \$2,712,849 from the construction and preconstruction divisions to the maintenance division in order to offset an anticipated deficit within the maintenance division.

DEPARTMENT OF REVENUE

Property Assessment

Phase I \$ 110,000

Phase II 275,000

The appropriation for Phase II of the property assessment study may be continued into the 1983 biennium. Should a determination be made not to continue with Phase II, the \$275,000 will revert to the general fund.

General Operations

\$ 117,500

DEPARTMENT OF ADMINISTRATION

State Tax Appeal Board

\$ 52,000

DEPARTMENT OF MILITARY AFFAIRS

Disaster & Emergency

18,770 \$ 6,714

Should additional federal money become available to disaster and emergency services for the purchase of communication equipment, an equal amount of the general fund appropriation shall be reverted.

SUPERINTENDENT OF PUBLIC INSTRUCTION

School Transportation \$ 505,000

Vocational Technical Centers 235,645

Millage received by the centers from the 1 1/2 mill levy over \$703,274 will revert a like amount of general fund.

HISTORICAL SOCIETY

Publications Program \$ 11,320

Administration Program 26,168

SCHOOL FOR THE DEAF AND BLIND

Education Program 42,133

Payroll Accrual 100,000

COMMISSIONER OF HIGHER EDUCATION

The commissioner of higher education is authorized to use \$3,510 appropriated in HB 483 for University of Minnesota rural dentistry for payment of WICHE dues in fiscal 1981.

MONTANA STATE UNIVERSITY \$1,190,749 \$1,090,690

UNIVERSITY OF MONTANA 1,318,560 94,616

EASTERN MONTANA COLLEGE 478,928 145

NORTHERN MONTANA COLLEGE 355,763 48,460

WESTERN MONTANA COLLEGE 220,746 95,588

MONTANA COLLEGE OF MINERAL

SCIENCE AND TECHNOLOGY 459,312 221,572

The fiscal 1981 expenditure from current unrestricted subfund at each of the units of the Montana university system shall not exceed:

Montana State University - \$29,095,181
 University of Montana - 24,478,209
 Eastern Montana College - 8,845,963
 Northern Montana College - 4,040,557
 Western Montana College - 2,440,650
 Montana College of Mineral
 Science and Technology - 4,550,434

To the extent revenue and income to the current unrestricted subfund at each unit exceeds the above amounts, those funds shall be deposited in the state general fund. In addition, to the extent fiscal 1981 utility expenditures from current unrestricted funds are less than the amounts listed below for each unit of the university system, funds shall revert to the state general fund.

Montana State University - \$1,503,128
 University of Montana - 1,111,553
 Eastern Montana College - 315,083
 Northern Montana College - 158,821
 Western Montana College - 161,592
 Montana College of Mineral
 Science and Technology - 247,004

The legislative auditor shall audit the units for compliance with these requirements by December 31, 1981.

COOPERATIVE EXTENSION SERVICE \$ 118,708 \$ 47,000

Notwithstanding of similar provisions of HB 423 applicable to fiscal 1981, any Smith-Lever and Title V rural development funds

received in excess of \$1,867,389 in fiscal 1981 shall cause a like amount of general fund to revert. All Smith-Lever and Title V rural development funds available to cooperative extension service in fiscal 1981 are to be expended in fiscal 1981.

AGRICULTURAL EXPERIMENT STATION \$ 60,000 \$ 127,633

Notwithstanding of similar provisions in HB 483 applicable to fiscal 1981, any Hatch and regional research funds received that, when added together exceed \$1,381,370 in fiscal 1981 shall cause an equal amount of general fund to revert. All Hatch and regional research funds available to the agricultural experiment station are to be spent in fiscal 1981. All interest earned on earmarked revenue belongs to the state general fund. To the extent funds received in the earmarked account in fiscal 1981 from sources other than interest on investments and transfers from plant funds exceed \$800,000 a like amount of general fund shall revert.

DEPARTMENT OF NATURAL RESOURCES

Forest Fire Suppression \$ 1,117,124
 Forestry-Resource 300 577,298
 Energy Division 158,892

DEPARTMENT OF AGRICULTURE

Centralized Services 45,000
 Transportation 20,000

DEPARTMENT OF BUSINESS REGULATION

Centralized Services 6,320
 Heights and Measures 27,500

DEPARTMENT OF LIVESTOCK

Milk and Egg Bureau 5,884

DEPARTMENT OF PROFESSIONAL & OCCUPATIONAL LICENSING

Board of Architects

\$ 4,210

Board of Professional

Engineers & Surveyors

6,400

Board of Horseracing

25,079

Board of Nursing

20,945

Board of Psychologists

2,000

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

Laboratory Division

45,337

Health Care Facilities

and Manpower Division

33,000

PCB Expenses

30,000

DEPARTMENT OF LABOR AND INDUSTRY

Labor Standards Division

6,657

DEPARTMENT OF INSTITUTIONS

Board of Pardons

19,219

Boulder River School

and Hospital

586,256

Central Office -

Corrections Division

220,579

Center for the Aged

18,947

Galen State Hospital

13,350

Montana State Prison

1,277,627

A7

HB 94

A8

HB 94

Swan River Youth Forest Camp 48,604

Veterans' Home 366,119

Warm Springs State Hospital 1,492,507

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Medicaid Accrual \$3,954,606

Grant-in Aid 425,000

Item 1 is appropriated only for medicaid accruals. There are to be no cash expenditures made against this appropriation during fiscal 1981 or fiscal 1982. A unique responsibility center and appropriation number shall be established in the statewide budgeting and accounting system to account for this appropriation. Notwithstanding any other provision of law, no other medicaid accrual may be made in fiscal 1981.

Before expending any funds under item 2 the department shall determine that all expenditures from the county poor fund have been reasonable and necessary, according to criteria set by the department, for the county to meet its obligations under law to provide assistance to the needy.

Section 6. Effective date. This act is effective on its passage and approval.

AN ACT TO APPROPRIATE MONEY TO VARIOUS STATE AGENCIES FOR THE BIENNIUM ENDING JUNE 30, 1983; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Short title. This act may be cited as the "General Appropriations Act of 1981".

Section 2. Definitions. For the purposes of this act, unless otherwise stated, the following definitions apply:

(1) "Agency" means each state office, department, division, board, commission, council, committee, institution, university unit, or other entity or instrumentality of the executive branch, office of the judicial branch, or office of the legislative branch of state government.

(2) "Approving authority" means the governor or his designated representative for executive branch agencies; the Chief Justice of the supreme court for judicial branch agencies; appropriate legislative committees for legislative branch agencies; or the board of regents for the university system.

(3) "University system unit" means the board of regents, office of the commissioner of higher education, the university of Montana at Missoula, Montana state university at Bozeman, Montana college of mineral science and technology at Butte, eastern Montana college at Billings, northern Montana college at Havre, western Montana college at Dillon, the agricultural experiment station with central offices at Bozeman, the forestry and

conservation experiment station with central offices at Missoula, the cooperative extension service with central office at Bozeman, or the bureau of mines and geology with central office at Butte.

Section 3. Budget amendments. (1) The approving authority may approve a budget amendment to spend funds that were not available for consideration by the legislature but have become available from a source other than the state's general fund or earmarked revenue fund and other than receipts to the state from the United States government made available under provisions of P.L. 94-488, the federal Revenue Sharing Extension Act or any extension or modification of that act. Each budget amendment shall be submitted to the budget director and the office of legislative fiscal analyst.

(2) A budget amendment may be approved to spend money in the earmarked revenue fund only if the approving authority certifies that an emergency justifies the expenditure.

(3) A budget amendment may be approved for a time period greater than one fiscal year but not to exceed the biennium ending June 30, 1983. Budget amendments for greater than one fiscal year shall itemize planned expenditures by fiscal year.

Section 4. Amendment procedures. (1) In approving a budget amendment, the approving authority shall:

(a) certify specific additional services to be provided as a result of a higher expenditure level;

(b) certify that no other alternative is available to

provide the additional services;

(c) certify that the additional proposed services have not been considered and rejected by the legislature;

(d) certify that no commitment, implied or otherwise, is made for increased future general fund support;

(e) specify criteria for evaluating the effectiveness of the additional services provided.

(2) The additional funds are appropriated contingent upon total compliance with all budget amendment procedures.

Section 5. Budget requests. Sufficient funds are appropriated in this act to enable each agency to submit its 1985 biennium budget request to the budget director and the legislative fiscal analyst pursuant to the time schedule established in 17-7-112(1). If any agency fails to submit its final, complete budget request by the deadlines established in 17-7-112(1), the expenditure authority herein granted shall be reduced or rescinded by the budget director unless the agency director certifies that an emergency situation has precluded a timely budget presentation and the budget director approves an extension not to exceed 30 days.

Section 6. Detailed budget information. Within 10 days after the 48th legislature convenes in regular session, the budget director and the legislative fiscal analyst shall mutually exchange expenditure recommendations by object of expenditure to the second level of detail and by funding source detailed by

treasury fund. This information shall be filed in the respective offices and available to members of the legislature and the general public.

Section 7. Expenditure limit. Expenditures may not exceed appropriations.

Section 8. Other appropriated funds. Unless otherwise indicated herein, the appropriations made under the column heading "Other Appropriated Funds" are from funds within the earmarked revenue fund, the federal and private revenue fund, or the revolving fund that accrue under provisions of law to the expending agency. Any federal funds received by or allocated to the state of Montana prior to January 3, 1983, as a block grant as defined by an act of congress enacted subsequent to April 1, 1981, and specifically designated as a block grant shall require a special session of the legislature for appropriation by the legislature prior to distribution of these funds among agencies and programs.

Section 9. Operating budgets. Expenditures may be made only in accordance with operating budgets approved by the approving authority. The respective appropriations are contingent upon approval of the operating budget by July 1 of each fiscal year. Each operating budget shall include expenditures for each agency program detailed at least by personal services, operating expenses, equipment, benefits and claims, transfers, and local assistance.

Section 10. Access to records. No funds appropriated by this act may be expended for any contract, written or oral, for services with a nonstate entity for services to be provided by the nonstate entity to members of the public on behalf of the state unless such contract contains a provision allowing access to those records of the nonstate entity as may be necessary for legislative audit and analysis purposes in determining compliance with the terms of the contract. Each such contract may be unilaterally terminated by the state, and each contract shall so provide upon refusal of the nonstate entity to allow access to records necessary to carry out the legislative audit and analysis functions set out in Title 5, chapters 12 and 13.

Section 11. Reduction of appropriation. In the event of a shortfall in revenue, the governor may reduce any appropriation by not more than 15% except appropriations for:

- (1) payment of interest and retirement of state debt;
- (2) the legislative branch;
- (3) the judicial branch;
- (4) public schools; or
- (5) salaries of elected officials during their term of office.

Section 12. Severability. If any section, subsection, sentence, clause, or phrase of this act is for any reason held unconstitutional, such decision does not affect the validity of the remaining portions of this act.

Section 13. Reversion. Notwithstanding other provisions of law, the unexpended balance of each appropriation reverts to the fund from which it was appropriated at the end of each fiscal year unless otherwise provided in this act.

Section 14. Other funds to offset general fund. The approving authority shall decrease the general fund appropriation of the agency by the amount of funds received from other sources in excess of the appropriation provided in this act unless such action is expressly contrary to state or federal law, rule, or contract or the approving authority certifies that the services to be funded by the additional funds are significantly different from those for which the agency has received an appropriation.

Section 15. National conference of state legislatures. Agencies may participate in the activities and programs of the national conference of state legislatures within existing appropriations.

Section 16. Coal tax trust income. Interest income from the coal tax constitutional trust fund established under Article IX, section 5 of the Montana Constitution is hereby appropriated to the general fund for use during the biennium ending June 30, 1983. The portion of the general fund which represents this appropriation is appropriated to the school foundation program in HB 611 (\$16,000,000), the long-range building bond proceeds and insurance clearance account in HB 666 or the highway earmarked revenue account (\$16,469,324), and to the department of commerce

amount of \$347,710 which is a biennial appropriation.

The 1982 appropriation for the legislative council contains \$6,000 in general fund for the coal tax oversight subcommittee.

This biennial appropriation is contingent upon passage of SB 487.

ENVIRONMENTAL QUALITY COUNCIL

151,807 166,178

CONSUMER COUNSEL

460,752 479,237

JUDICIARY

1. Supreme Court Operations:

990,113 980,656

2. Boards and Commissions

141,182 145,269

3. Law Library

279,969 325,813

4. District Courts

1,537,532 1,545,622

5. Moving Expenses

31,342

6. Moving Expenses:

Rent Increase

130,301

7. Montana Reports

42,000 40,000

8. Audit

in HB 500, items 4, 5, 6, and 8 (\$1,580,676).

Section 17. Amounts appropriated for audits may be transferred between fiscal years.

Section 18. Totals not appropriations. The totals shown in the act are for informational purposes only and are not appropriations.

Section 19. Appropriations. The following money is appropriated only for the purposes shown for the respective fiscal years:

A. LEGISLATIVE, JUDICIAL, AND ADMINISTRATIVE AGENCIES

Fiscal Year 1982 Fiscal Year 1983

Other

General Appropriated General Appropriated

Fund Funds Fund Funds

LEGISLATIVE AUDITOR

1,008,825 861,675 1,266,805 783,425

LEGISLATIVE FISCAL ANALYST

489,178 506,639

LEGISLATIVE COUNCIL

1,905,829 318,200 1,801,835 42,000

The general fund appropriation for FY 1982 includes funds for CSG and MCSL travel, interim studies, Forestry Task Force, Revenue Oversight Committee, Administrative Code Committee, District and Apportionment Commission, coal tax oversight subcommittee, and Constitutional Convention Proceedings publication in the total

10,000

9. Water Courts Supervision ----- 227,543 3,199,003 349,762 249,762

Total Judiciary

3,000,796 227,543 3,199,003 349,762

If federal funds should be received for previously federal funded activities that have been general funded this biennium, a like amount of general fund, less matching requirements, shall be reverted to the general fund.

GOVERNOR'S OFFICE

1. Executive Office 761,732 150,000 757,638 100,000

2. Mansion Maintenance 78,986 70,721

3. Air Transportation 90,124 99,969

4. Office of Budget and Program Planning 643,626 654,946

5. Legal Jurisdiction 59,378 65,698

6. Lieutenant Governor 173,141 179,332

7. Citizens' Advocate 65,864 68,654

8. Board of Visitors

46,813 48,545

9. Old West Regional Commission Dues 45,000 60,000

10. Engine Replacement 70,000

11. Audit 16,000

12. Contingency - Vacancy Savings 1,600,000 -----

Total Governor's Office 3,650,664 150,000 2,005,503 100,000

Federal indirect cost reimbursements shall be reverted to the general fund.

Item 10 is an expense for the biennium.

Funds in item 9 shall revert to the general fund if not used for this purpose.

Item 12, a biennial appropriation, is solely for instructional faculty salaries in the six college and university units and shall only be expended if vacancy savings are not realized. As a further condition precedent to the expenditure of this item 12 appropriation, any of the said agencies requesting any portion of said appropriation shall submit a verified request therefor, which request shall be verified by the president of the requesting agency and supported by evidence itemized and detailed establishing, to the satisfaction of the governor, that the

requesting agency is entitled to a portion of said funds. The request and supporting documentation must be submitted by March 15 of each fiscal year and shall be subject to the conditions herein set forth. The governor shall respond with his decision by April 15 of each fiscal year.

The above agencies shall, by July 1 of each fiscal year, submit for the current unrestricted subfund a detailed list of all FTE, faculty positions, each individual salary, and total budgeted benefits. The list shall equal total compensation at 100% excluding critical area faculty salary adjustment funds appropriated in this act for personal services. This total compensation figure may not from any individual agency be 3.6% greater than the operating budget for personal services for such agency. The list shall have at least these sections. Section 1 shall detail the positions which are eligible for the contingency vacancy savings appropriation. Any salary increases granted after this list is submitted will not be reimbursed from the vacancy savings fund. Section 2 shall detail all other staff. Section 3 shall detail by position the allocation of the critical area faculty salary adjustment funds.

In the event any such request is submitted and the governor shall find that the requesting agency has satisfied all the requirements and conditions herein set forth, the governor may issue his approval for expenditure of the said contingency-vacancy funds.

If the governor should determine, in his discretion, that any requesting agency has not satisfied the conditions of item 12 relating to a request for a portion of this appropriation, he may deny such request and such denial shall constitute final agency action.

SECRETARY OF STATE

1. Records Management

580,152 573,661

2. Administrative Code

86,072 80,000 91,801 81,000

3. Audit

6,000

4. Voter information pamphlets

53,000

5. Systems Development

-----111,500 -----88,500

Total Secretary of State

777,724 80,000 812,962 81,000

A budget amendment increasing the administrative code's revolving fund spending authority in item 2 may be approved only for additional printing expenses and related supplies and postage.

The secretary of state is directed to contract with the information systems division (ISD) for systems development.

COMMISSIONER OF POLITICAL PRACTICES

1. General Operations

2. Audit	120,466	116,992	12,000	13,000
Total Commissioner of Political Practices	-----	---3,000		
STATE AUDITOR				
1. State Auditor	1,547,545	125,000	1,561,152	150,000
2. Actuarial Fees:				
Insurance Division	10,000	10,000		
3. Audit	12,300	35,300		25,000
Total State Auditor	1,569,845	125,000	1,606,452	150,000
In addition to the funds appropriated above, the local assistance distribution of funds provided for in 19-10-305(1), 19-11-512, 19-11-606, and 19-12-301 is appropriated.				
Revenues generated under provisions of 50-3-109 shall be deposited to the general fund.				
DEPARTMENT OF JUSTICE				
1. General Operations	7,826,540	8,213,221	7,428,170	8,391,837
2. Case Travel:				
Legal Services Division				
3. Contracted Services:				
Antitrust			16,500	16,500
4. Severance Pay			4,900	
5. Hearings Officer				5,000
6. Audit			20,500	20,500
7. Moving Costs				1,713
8. Out-of-State Travel:				
Forensic Science			1,000	1,000
9. County Attorney Payroll			602,395	602,395
10. Transportation of Prisoners			112,314	129,115
11. Radio Equipment			42,000	25,000
12. a. SB 466				3,750
b. HB 364				
			5,000	5,000

c. HB 389

-----5,000-----5,000

Total Department of Justice

8,643,149 8,249,184 8,245,180 8,401,837
Appropriated amounts within item 2 are for case-related travel only.

Any fund balance remaining within the motor vehicle account at the end of a fiscal year shall revert to the general fund.

Any collections made by the county prosecutor services program or antitrust enforcement efforts shall be deposited to the general fund.

Item 4 contains \$4,900 for the biennium for severance pay, to be paid upon request from the county prosecutor program.

The rate charged by the agency legal services program may not exceed \$30 per hour in 1982 and \$35 per hour in 1983.

Collections made from hearings conducted by the motor vehicle division on dealer franchises shall be deposited to the general fund.

Funds remaining within the 1981 biennium appropriation for coal tax defense at June 30, 1981, are reappropriated for the 1983 biennium for the same purpose. These funds are approved for legal-related costs only.

Salaries as established for the forensic science division may not be altered or combined during the 1983 biennium to recreate

the position of director of forensic services, which was specifically abolished by the legislature, or any other position which functions as a pathologist's assistant.

Amounts in item 12 are contingent upon passage of the noted bills.

BOARD OF CRIME CONTROL

1. General Operations

218,250 391,250 217,900 404,400

2. Grants

1,100,000 2,100,000

3. Audit

--1,150 --12,850 -----

Total Board of Crime Control

219,400 1,504,100 217,900 2,504,400

Should federal funds become available for the uniform crime reporting program or the criminal justice data center, a like amount of general fund, less the matching requirement, shall be reverted. The maximum general fund reversion is \$83,800 in 1982 and \$86,500 in 1983, less matching requirements.

DEPARTMENT OF HIGHWAYS

1. General Operations Division

7,545,871 7,591,008

2. Low-8and Radio Equipment

74,000 74,000

3. Construction Division

4. Maintenance Division	118,303,305	118,876,162
5. Preconstruction Division	36,011,400	37,854,616
6. Service Revolving Division	12,435,358	12,198,196
7. Motor Pool Division	2,426,004	2,537,543
8. Equipment Division	1,036,727	1,160,844
9. Stores Inventory	11,369,034	12,113,491
10. Capital Outlay	13,341,876	14,518,052
11. Audit	570,072	571,153
Total Department of Highways	203,625	211,875
	203,134,272	207,556,940

The department of highways is directed to:

(1) Develop and institute a comprehensive construction project planning system. This system will be operational no later than July 1, 1985, and will be the basis for:

- (a) project scheduling;
- (b) project monitoring;

- (c) manpower planning;
 - (d) work measurement and evaluation;
 - (e) cash flow projections;
 - (f) long- and short-range construction goals; and
 - (g) budget preparation.
- (2) Utilize the partial funding method for construction projects.
- (3) Institute a cash forecasting system to minimize cash reserves.
- (4) Maintain a surplus of completed construction plans in order to obligate and expend the maximum amount of federal dollars available for construction during the biennium.
- (5) Submit to the 1983 legislature a construction work plan for the 1985 biennium that is detailed by year, project phase, and fund. This work plan must specify, by road system or project area, proposed projects on which \$1 million or more would be spent during the 1985 biennium and an aggregate cost for projects with anticipated expenditures of less than \$1 million. Costs must be detailed by year, fund, and project phase.
- (6) Institute a maintenance management system for the maintenance division that incorporates equipment needs and usage. This system will be operational no later than July 1, 1985.
- (7) Conduct a thorough assessment of equipment needs based on maintenance needs by geographic area.
- (8) Submit to the 1983 legislature a maintenance work plan

for all operational systems that ties directly to the maintenance division budget request for the 1985 biennium.

(9) Report quarterly to the legislative finance committee regarding the progress of the above-mentioned items.

Should additional federal money become available during the 1983 biennium for highway construction, highway earmarked funds shall be budget amended to the extent of matching requirements.

Earmarked revenue within the equipment division must be reduced dollar for dollar by revenue collected from the auction of equipment. This is contingent upon passage of SB 169.

The Helena headquarters van pool project administered by the department of highways may continue in operation and is to be operated on a self-supporting basis.

Funds may be transferred between line items 1, 3, 4, 5, 6, 7, and 8 to reflect actual personal service expense. No other transfers between line items may be made. This is not to be construed as permitting the transfer of full-time equivalent employees between programs, nor may there be an increase in the total number of appropriated full-time equivalent employees.

The conservation education program is funded.

The maintenance division is directed to establish a separate revolving account to reflect collections and expenditures related to damaged structures. One million dollars per year in highway earmarked funds will be replaced with revolving authority.

DEPARTMENT OF REVENUE

1. General Operations

12,340,311	1,325,313	12,490,050	1,359,671
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2. Audit Costs

16,500	8,500	49,500	25,500
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3. Legal Fees:

Director's Office

25,000	25,000
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4. Recovery Services Division

197,718	593,153	199,603	598,807
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5. SB 50

<u>40,000</u>	<u>-----</u>	<u>10,000</u>	<u>-----</u>
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Total Department of Revenue

12,619,529	1,926,966	12,774,153	1,983,978
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Should the recovery services division return \$1.05 in collections per \$1.00 expended in 1982, the appropriation in item 4 may be increased a maximum of \$16,000 from the general fund and \$48,000 in federal funds for fiscal 1983.

Cash within the central supply revolving account at 1981 fiscal year end must be deposited to the general fund. Collections from liquidation of inventory during the 1983 biennium must also be deposited to the general fund.

In addition to those amounts appropriated above, there are appropriated to the liquor division funds necessary to maintain adequate inventories of liquor and wine and to operate the state liquor monopoly. The division shall deposit not less than \$13

million of liquor profits to the general fund during the 1981 biennium. During the 1983 biennium, profits may not be less than 15% of net liquor sales and not less than \$13 million. Net liquor sales are gross liquor sales less discounts and all taxes collected.

The operational expenses of the liquor merchandising system may not exceed 15% of net liquor sales. Operational expenses may not include product or freight costs. The liquor division has full authority to determine store operating hours and the number and location of stores and employees and may raise or lower the liquor pricing formula to achieve the deposit requirement.

Nonprofitable state stores should be closed or converted to agency stores in an orderly manner. A nonprofitable store is one that shows a net loss or is less profitable than if run at agency store status after reducing gross revenues by all state excise and license taxes and by deducting therefrom all normal operating expenses, which include a pro rata share, based on gross sales, of central administrative office expenses.

The county commissioners of the various counties and the governing bodies of local government units shall provide office space in county courthouses or government office buildings to the department of revenue of the state for its use at no cost to the state. The department is not liable for any expenses in connection with the use of such space, including but not limited to rent, utilities, or janitorial services. The department shall use such

space as offices for its agents: the county assessor, appraiser, and their respective staffs.

Item 5 is contingent upon passage of SB 50.

DEPARTMENT OF ADMINISTRATION

1. General Operations

4,231,557 14,120,573 4,260,356 14,354,970

2. Communication Expense - Communications Division

2,938,440 2,862,239

3. Insurance Expenses - Insurance Division

175,000 1,769,195 192,500 1,898,888

4. Audit Fees

31,500 104,000 16,000 55,500

5. Equipment - Duplicating Services

152,799 61,500

6. Systems Development - Merit System

25,000 27,100

7. Systems Development - Purchasing Division

120,000 55,500

9. Systems Development - Teachers' Retirement System

140,000

9. Emergency District Court Funding

375,000 375,000

10. Disability Benefit Review - Public Employees'

Retirement System

5,625 3,750

11. Unified Firefighters - Public Employees*

Retirement System

25,770	25,270
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12. General Services - Additional Buildings

200,845	205,500
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13. Rent - Transferred Divisions

-26,458	-26,707	-28,712	-29,312
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Total Department of Administration

4,959,515	19,508,954	4,928,068	19,524,029
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The agency shall charge those divisions not supported by general fund for legal services provided by the attorney in the central office, and such income shall be deposited in the general fund.

An additional accountant is provided in the architecture and engineering division for the 1983 biennium only.

The architecture and engineering program is funded solely from the long-range building account. Any fund balance at the end of a fiscal year shall be reverted to the long-range building account. This program shall assess a 1% charge on the cost of construction funded from accounts other than the long-range building account at the time a contract is let and this revenue shall be deposited to the long-range building account.

The intent of the legislature is that all office space rentals in Helena be based on competitive bid.

The maximum length of a purchasing contract is extended to 5

years for the purchase of a new computer by the computer services division.

The state may continue to use its own printing facilities.

The graphic arts bureau of the publications and graphics division shall establish a separate revolving fund and shall become a self-supporting operation.

The office of budget and program planning shall assure reimbursement to the general fund for all management studies or systems support needs assessments provided by the consulting services bureau to nongeneral funded agencies if those agencies have sufficient funding available.

The board of investments shall operate under an earmarked fund.

As of July 1, 1981, interest generated on the \$2.5 million loan to the self-insurance fund shall be deposited to the sinking fund that loaned the funds. Repayment of the loan shall occur at such time as the invested funds reach par.

All employees working under the direction of the workers' compensation judge shall be classified.

In the local government services division, general fund money is provided only for administrative support, which includes 6.7 full-time employees, and related support costs. Auditing services are expected to be self-supporting.

The budgeting, accounting, and reporting system (BARS), which is being implemented statewide into local governmental entities,

is expected to be completed no later than June 30, 1984.

Item 9 provides for emergency funding of the district courts in those instances when a court incurs extraordinary expenses due to an extended criminal case or state government-related suits in Lewis and Clark County. These funds shall not be used for usual court operations or additional social service programs.

Emergency funds to Lewis and Clark County for state government-related suits will not exceed 10% above the revenue collected through the 6-mill levy.

No more than \$9,000 may be spent during the blennium on a consumer health education program. All funds expended must be matched by a like amount from the health insurance carrier.

Item 10 is contingent upon passage of HB 372.

Item 11 is contingent upon passage of HB 674.

Item 12 is contingent upon the purchase of additional buildings, as referred to in HB 666, and the assumption of related maintenance duties by the department. The amount of funds spent shall be prorated based on the remaining portion of the fiscal year.

Item 13 contains the spending authority necessary to fund the lease agreement and other related costs for those divisions located in the building at 1424 Ninth Avenue. When this building is purchased by the state and maintenance responsibilities are assumed, all of the remaining funds in item 13, except for the prorated remaining portion of the annual charge of \$3.02 per

square foot in fiscal 1982 and \$3.09 per square foot in fiscal 1983 that the department of administration shall charge for rent and repair expenses, shall revert.

The accountant added in item 11 is for this biennium only.

DEPARTMENT OF MILITARY AFFAIRS

1. Adjutant General

	828,740	688,435	902,865	753,687
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2. Disaster and Emergency Services

	174,075	290,992	175,747	297,008
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3. Audit

	61150	21850		
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Total Military Affairs

	1,008,965	983,277	1,078,612	1,050,695
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All departments within section A may purchase low-band radio equipment on an emergency basis only. The department director shall certify on the purchase order the nature of the emergency. TOTAL LEGISLATIVE, JUDICIAL, AND ADMINISTRATIVE

40,125,692	237,529,923	38,729,282	243,007,303
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B. HUMAN SERVICES

Fiscal Year 1982	Fiscal Year 1983
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Other	Other
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General	Appropriated	General	Appropriated
Fund	Funds	Fund	Funds

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES

1. Operations

3,104,046 17,333,780 3,116,388 18,069,510

2. Audit

2,873 8,377 8,616 25,134

3. Subdivisions Bureau

----- 19,856 79,856

Total Department of Health and Environmental Sciences

3,106,919 17,422,013 3,125,004 18,174,500

In item 3 \$39,928 each year is contingent upon legislative approval of the governor's amendment to HB 179.

No funds are appropriated for the hazardous waste program. However, the department may budget amend federal spending authority for the hazardous waste program if these federal funds become available and no additional general fund is required.

DEPARTMENT OF LABOR AND INDUSTRY

1. Labor Administration

430,137 423,601

2. Labor Standards

369,476 31,377 384,023 18,098

3. Personnel Appeals

318,604 8,000 321,036 8,000

4. Employment & Training

1,187,396 1,208,269

5. Human Rights

122,355 75,657 128,502 72,509

6. Employment Security

B27 HB 500

15,056,962 15,435,596

7. Workers' Compensation

906,149 4,650,371 861,886 5,369,986

8. Audit

----- 35,000 4,287 39,713

Total Department of Labor and Industry

1,716,584 21,474,900 1,699,734 22,575,772

In item 5, general funds shall revert in the amount that other appropriated funds exceed the amounts shown for each fiscal year.

No funds may be used for a women's bureau.

The division of workers' compensation shall study performance factors that measure the division's operational effectiveness. The intent is to determine if the workers' compensation division budget should be based on performance measurements rather than expenditure limitations. This study shall be presented to the governor and the legislative finance committee by August 1, 1982.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

1. General Operations

21,251,903 23,263,217 23,659,030 24,172,714

2. Medicaid State Institutional Reimbursements

3,134,021 3,369,523

3. Medicaid

53,530,911

B28

HB 500

4. Medicaid Accrual

4,350,000	4,785,000
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5. Department of Community Affairs -- Community Services

1,126,474	1,206,884
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6. Audit

23,000	123,000
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7. HB 258

-53,865	100,035	-53,865	100,035
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Total Department of Social and Rehabilitation Services

82,343,700	24,612,726	31,867,418	25,479,633
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Within other appropriated funds in item 1 is no more than \$175,000 for the biennium for the operation of the developmental disabilities policy advisory council. Any federal money received above this amount may be spent only to improve direct client services as recommended by the council and approved by the SRS director.

The department is encouraged to utilize medicaid funds to support community services for the developmentally disabled where the use of such funds is cost-effective in providing services in the least restrictive environment. The department may use any savings generated from the budget for the developmentally disabled to develop additional community services.

The department of social and rehabilitation services shall assure that the community developmental disabilities group homes are reporting all financial transactions through a uniform

accounting system including a single chart of accounts and accounting manual.

No money may be disbursed to the homes after July 1, 1982, unless the director of the department of social and rehabilitation services certifies to the legislative finance committee that the group homes are recording and reporting financial information uniformly.

The director shall reorganize the vocational rehabilitation and visual service programs to effect administrative economies and maintain direct benefits to clients within the appropriations herein provided. At least 15% of federal funds available for vocational rehabilitation shall be expended for the blind.

The governing body of any area agency on aging that contracts with SRS shall conduct its business in open meetings as required by Title 2, chapter 3, MCA.

The department shall monitor and assess the activities of the area agencies on aging for implementation of the department-approved area plans for aging services and shall report to the legislative finance committee, no later than 60 days prior to the beginning of the 48th legislative session, the extent to which the area agencies have complied with the area plans and the extent to which the area agencies have cooperated with the local government funding sources.

When federal funds for health underserved rural areas, Indian health services or certification surveys by the department of

health and environmental sciences decrease or end, there is to be no state funding of these services during the biennium.

The department may use general fund money appropriated in item 3 together with matching federal funds to augment item 2. The department shall fully match the appropriation in item 2 at the maximum allowable federal rate with federal medicaid funds.

Item 3 is a biennial appropriation for cash expenditures made from July 1 to June 30 of each fiscal year. There may not be an accrual made at fiscal year end under item 3.

Item 4 is only for medicaid accruals. There may not be any cash expenditures made against this appropriation during fiscal 1982, 1983, or 1984. A unique responsibility center and appropriation number shall be established in the statewide budgeting and accounting system to account for this appropriation.

By August 1, 1982, the department shall identify all optional services by specific type provided under the medicaid program. The identification must include the number of recipients, cost per optional service, and the impact of not funding each option.

If appropriated funds are not sufficient to provide medical care for all eligible persons, the department shall use the following priorities in keeping expenditures within appropriations:

(1) limit the increases in reimbursement paid per service for medical care to no more than 10% for each fiscal year of the 1983 biennium to the maximum extent feasible; and

(2) limit eligibility and amount, scope, and duration of medical services provided.

The payment standard for families under the aid to families with dependent children program (AFDC) shall be an equal percentage of the poverty index according to family size. The payment standard for a family of two may not exceed \$258 in fiscal 1982 and \$280 in fiscal 1983.

Item 5 may be merged into the department of social and rehabilitation services' organizational structure or transferred to another state agency by approval of the governor's office. The legislative finance committee must be informed of any interagency transfers. The appropriation authority must be accounted for by a unique appropriation number in the statewide budgeting and accounting system.

The funding of item 7 is contingent upon passage and approval of HB 258.

The day-care rate per day for homes is not to exceed \$6.00 in fiscal 1982 and \$6.50 in fiscal 1983. The rate per day is not to exceed \$7.00 in fiscal 1982 and \$7.50 in fiscal 1983 for day-care centers.

Because of the uncertainty in federal funding, the department should anticipate receiving the level of federal funding for AFDC, Medicaid, and Title XX calculated in the appropriations until funds at the federal level are allocated.

TOTAL HUMAN SERVICES

87,167,203 63,509,639 36,692,156 66,229,905
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87,167,203 63,509,639 36,692,156 66,229,905

C. NATURAL RESOURCES AND BUSINESS REGULATION

Fiscal Year 1982 Fiscal Year 1983

	General	Other	General	Other
	Fund	Funds	Fund	Funds
DEPARTMENT OF AGRICULTURE				
1. Centralized Services				
106,606	598,149	107,220	602,190	
2. Legislative Audit Fee				
10,102	4,898			
3. Rural Development Program				
	33,553		35,714	
4. Hail Insurance Unit				
1,650	934,112	1,660	937,585	
5. Crop and Livestock Unit				
47,500	13,900	56,069	13,900	
6. Transportation Unit				
73,916	50,000	73,383	50,000	
7. Wheat Research and Marketing				
	550,259		578,457	
8. Environmental Management Division				
246,103	670,921	251,816	684,368	
9. Plant Industry Division				
420,517	450,886	362,681	466,043	
				B33
				HB 500

Total Department of Agriculture

906,454 3,312,678 852,829 3,368,257

All indirect cost assessments received from Old West Regional

Commission grants must be deposited in the general fund.

DEPARTMENT OF COMMERCE

1. Director's Office

121,432 126,249

2. Centralized Services

270,105 274,427

a. Legislative Audit

50,000

b. Moving Expenses

39,900

3. Aeronautics Division

798,363 861,883

4. Administrative Support - Economic Development

27,399 86,808 19,194 104,558

5. Business Assistance Bureau

85,579 130,000 89,504 130,000

6. Economic Development Grants

59,000 235,000

7. Board of Housing

470,496 490,281

8. Travel Promotion Program

600,000 100,000 700,000 200,000

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HB 500

34. Board of Plumbers	62,565	64,501	46. Board of Podiatry Examiners	1,098	1,161
35. Board of Professional Engineers and Land Surveyors	98,548	103,682	47. Board of Physical Therapy Examiners	----- --4,273	----- --5,278
36. Board of Public Accountants	121,861	114,538	Total Department of Commerce	2,257,598	23,176,216
37. Board of Realty Regulation	259,542	269,579	The director's office and centralized services shall be operated from a revolving account, with all earmarked and federal accounts assessed a pro rata share of the total expenses. The revolving account shall be initiated with a loan from one of the accounts under the department's supervision and operated on a full accrual basis and in accordance with generally accepted accounting principles.	2,291,242	23,137,843
38. Board of Veterinarians	18,667	19,937			
39. Board of Water Well Contractors	18,333	19,381			
40. Board of Psychologists	11,301	12,677	The department is authorized to reorganize its current organizational structure only after receiving approval from the office of budget and program planning and review by the legislative finance committee.		
41. Board of Sanitarians	4,646	5,004			
42. Private Investigators Program	3,897	4,022	Included in the weights and measures program appropriation for fiscal 1982 is \$5,000 to be available for expenditure only if the cost of a new truck and trailer exceeds \$30,000.		
43. Board of Landscape Architects	6,791	7,304			
44. Board of Speech Pathologists and Audiologists	7,342	7,881	Coal impact grants may be granted to local government units only to remedy a situation resulting from coal development. The local government unit must be making a bona fide local effort to provide for its own needs through normal financing channels (taxes, service fees, or bonds).		
45. Board of Radiologic Technologists	8,901	9,385			

Those divisions and bureaus of the department of commerce that are moved from private to state-owned office space shall revert the resulting savings in rent, utilities, taxes, and other expenses.

DEPARTMENT OF FISH, WILDLIFE, AND PARKS

1. Centralized Services Division

3,345,294

3,469,096

2. Legislative Audit

45,000

3. Purchase of Cessna 180

54,210

4. Ecological Services Division

744,740

759,203

5. Fisheries Division

2,292,268

2,227,383

6. Enforcement Division

2,924,202

2,935,004

7. Game Damage

65,000

65,000

8. Wildlife Division

3,018,696

3,107,075

9. Recreation and Parks Division

587,349 1,417,279

627,177 1,492,042

10. Conservation Education Division

968,677

989,140

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HB 500

11. Administration

----- 463,167 ----- 467,167

Total Department of Fish, Wildlife, and Parks

587,349 15,338,533 627,177 15,511,110

None of the funds appropriated to the department may be used for the purchase or study of the purchase of any type of abandoned right-of-way.

Included in the centralized services appropriation is revolving account authority of \$1,075,833 in fiscal 1982 and \$1,183,417 in fiscal 1983. The revolving accounts must be operated on a full accrual basis and in accordance with generally accepted accounting principles.

An additional \$500,000 a year is authorized in centralized services for the purpose of providing expenditure authority for federal and private funds that previously required budget amendments. Funds spent under this authorization must be accounted for separately from regular operations.

The Helena-based pilots shall be delegated enforcement responsibilities whenever they are not required for air transportation purposes.

The administration division appropriation includes:

(a) \$80,000 a year for transfer to the department of livestock for predator control;

(b) \$25,000 a year for the department to begin training to initiate the conservation officer concept within the department. A

B40

HB 500

progress report on this effort must be made to the 1983 legislature.

(c) \$24,000 a year for uniforms or distinctive clothing for all field personnel outside of the enforcement division.

DEPARTMENT OF STATE LANDS

1. Central Management Program

722,169	250,464	717,917	246,317
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2. Legislative Audit

15,000

3. Reclamation Program

7,368,739

4. Land Administration Program

176,000	60,259	175,000	47,991
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5. Resource Development Program

-----	574,934	-----	468,043
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Total Department of State Lands

913,169	8,254,396	892,917	8,657,192
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The other funds appropriations for the central management program provide for salary and expenses of the Northern Powder River Environmental Impact Statement Team. The eight FIE approved for the team may continue only as long as federal funds are available to provide support.

DEPARTMENT OF LIVESTOCK

1. Centralized Services

73,320	219,962	75,820	227,460
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2. Legislative Audit

3,250	9,750
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3. Diagnostic Laboratory Program

294,894	306,839	304,754	316,700
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4. Disease Control Program

636,605	635,757
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5. Milk and Egg Program

176,096	11,500	183,023	12,000
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6. Inspection and Control Program

1,576,968	1,611,730
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7. Predator Control Program

278,863	295,881
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8. Rabies and Rodent Control Program

-70,489	-15,000	-71,018	-15,000
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Total Department of Livestock

618,049	3,055,487	634,615	3,114,528
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DEPARTMENT OF NATURAL RESOURCES

1. Centralized Services Division

1,059,202	758,243	1,051,051	801,551
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2. Legislative Audit

18,400	21,600
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3. Oil and Gas Regulation Division

689,798	693,932
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4. Conservation District Supervision Division

441,953	477,377
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5. Water Resources Division
1,632,061 2,767,124 1,782,524 2,840,433

6. Forestry Division
3,149,988 2,767,281 2,943,379 2,817,674

7. Energy Division
329,975 3,242,757 350,105 3,502,341

8. Facility Siting Division
--208,105 1,500,000 --213,182 1,000,000

Total Department of Natural Resources

6,398,331 12,188,756 6,340,248 12,133,308

Included in the facility siting division appropriation of other funds for fiscal 1982 is \$500,000 resource indemnity trust fund interest to continue the appropriation of HB 908 of the 1979 legislature. The appropriation allows continuation of studies for the possible construction of a MHD engineering test facility in Montana. Expenditure of these funds is limited to the original appropriation.

The forestry division general fund appropriation for fiscal 1982 includes a \$180,000 biennial appropriation to acquire and upgrade firefighting vehicles and equipment for distribution to nine county cooperative fire districts. The districts shall operate and maintain the equipment.

Included in the general fund appropriation in item 5 for fiscal year 1983 is \$186,000 for either a grant to an irrigation district formed to operate the Daly ditch water project for the

purpose of operating and maintaining the project for 1 year or, if an irrigation district is not formed, for use by the department in administering the abandonment of the project, including the removal of structures.

Included in the oil and gas regulation division appropriation each year is \$65,000 of resource indemnity trust fund interest for the purpose of repairing and plugging abandoned oil and gas wells.

All federal Clark-McNary (CM-2) funds received by the department in excess of \$250,000 per year will be deposited in the general fund.

PUBLIC SERVICE COMMISSION

1. General Operations

1,184,442 19,310 1,195,975 19,310

2. Legislative Audit

7,000

3. Special Audit

--50,000

Total Public Service Commission

1,241,442 19,310 1,195,975 19,310

The appropriation in item 3 will continue the audit and any litigation related to commission docket no. 80-8-55. The appropriation may be spent only for determining the original cost of Montana Power Company's hydroelectric properties or litigation related thereto.

TOTAL NATURAL RESOURCES AND BUSINESS REGULATION

12,922,392 65,345,376 12,835,003 65,941,548

D. DEPARTMENT OF INSTITUTIONS

	Fiscal Year 1982		Fiscal Year 1983	
	General	Other	General	Other
	Fund	Funds	Fund	Funds
CENTRAL OFFICE				
1. Director's Office	237,041	28,994	235,510	32,616
2. Alcohol & Drug Abuse Division	194,239	1,348,521	203,871	1,294,514
3. Corrections Division	3,297,327		3,423,996	
4. Management Services Division	797,596	64,328	800,690	64,328
5. Mental Health Division	3,957,049	535,536	4,352,354	540,629
6. Audit			16,145	8,855
7. Building Space	76,713	21,754	77,318	21,926
8. Women's Correctional Facility	840,000	-----	-----	-----
Total Central Office	9,399,965	1,999,133	9,109,884	1,962,868

The Montana drug program shall be funded at 32 percent general fund and 68 percent federal funds.

General fund distribution by the mental health division to community mental health programs may not exceed \$3,756,453 in fiscal 1982 and \$4,147,272 in fiscal 1983. These amounts include pay raises. Sixty thousand dollars of funds appropriated for community mental health programs may be used to support programs provided by the current friends to youth program for emotionally disturbed children.

No general fund money may be used to support the manpower or community support programs.

Funds authorized in item 8 may not be used to establish a women's unit at Mountain View School.

Item 7 contains spending authority necessary to fund the lease agreement and other related costs for the central offices of the department of institutions. When this building is purchased by the state, all appropriated funds in item 7 except \$3.02 per square foot in fiscal 1982 and \$3.09 per square foot in fiscal 1983 in proportion to the time period remaining each fiscal year shall revert.

Item 8 and the amount appropriated in HB 666 for Spruce cottage is for the purpose of obtaining, through use of a state facility, or lease or purchase of a private facility, and the necessary renovation of such facility to house 20 female offenders. This appropriation also includes the operating budget

for such facility.

The director of the department of institutions shall attempt to find a suitable facility for the housing of female offenders prior to the special session of the legislature or February 1982, whichever comes first. If such facility is found, the office of budget and program planning and the legislative finance committee shall approve of the site and the facility.

The department shall give an estimate of the biennium cost for the operation of such facility to the legislative finance committee and the office of budget and program planning. If the operational costs will exceed the appropriation in item 8 plus any pay plan funds allocated for the biennium, the department, with concurrence of the legislative finance committee, shall request an appropriation to cover the excess cost from the special session of the legislature or the 1983 legislative session in the event there is no special session.

If a facility cannot be secured by the beginning of the special session, the department of institutions shall present to the special session of the legislature for its consideration a complete detailed proposal for the site, facility, and total cost of housing 20 female offenders for the remainder of the 1983 biennium.

BOULDER RIVER SCHOOL AND HOSPITAL

1. General Operations

9,308,901	106,180	9,364,280	101,581
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2. Audit

<u>15,000</u>	-----	-----	-----
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Total Boulder River School and Hospital

9,323,901	106,180	9,364,280	101,581
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CENTER FOR THE AGED

1. General Operations

1,939,921	9,458	1,965,887	9,729
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2. Audit

-----	-----	<u>1,000</u>	-----
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Total Center for the Aged

1,939,921	9,458	1,972,887	9,729
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The amounts of \$18,964 in fiscal 1982 and \$21,771 in fiscal 1983 of the general fund appropriations must be used for a fire alarm system maintenance contract or be reverted to the general fund.

EASTMONT TRAINING CENTER

1. General Operations

1,530,951	48,728	1,542,725	49,799
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2. Audit

-----	-----	<u>6,500</u>	-----
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Total Eastmont Training Center

1,530,951	48,728	1,549,225	49,799
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GALEN STATE HOSPITAL

1. General Operations

4,405,192	1,306,988	4,366,991	1,366,719
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HB 500

2. Audit

12,000

Total Galen State Hospital

4,417,192 1,306,988 4,366,991 1,366,719

WARM SPRINGS STATE HOSPITAL

1. General Operations

11,182,794 180,466 11,374,319 190,066

2. Audit

16,000

Total Warm Springs State Hospital

11,182,794 180,466 11,390,319 190,066

Funds may be transferred between Warm Springs state hospital and Galen state hospital by the budget amendment process. If applicable and warranted, further consolidation may take place between the two facilities.

MOUNTAIN VIEW SCHOOL

1. General Operations

1,310,400 89,307 1,316,744 93,927

2. Audit

8,000

Total Mountain View School

1,310,400 89,307 1,324,744 93,927

PINE HILLS SCHOOL

1. General Operations

1,986,558 525,454 1,972,777 536,519

2. Audit

11,000

Total Pine Hills School

525,454 1,983,777 536,519

MONTANA STATE PRISON

1. General Operations

6,854,480 73,041 7,015,342 73,980

2. Ranch

1,384,106 1,398,723

3. Industries

143,500 193,342 78,000 295,671

4. Canteen

250,469 250,521

5. License Plate Factory

491,242 529,593

6. Audit

11,967

Total Montana State Prison

6,997,980 7,105,309 2,551,521

SWAN RIVER YOUTH FOREST CAMP

1. General Operations

639,110 95,773 642,792 96,080

2. Audit

6,000

Total Swan River Youth Forest Camp

VETERANS' HOME	639,110	95,773	648,792	96,080
1. General Operations	486,575	714,000	470,033	727,500
2. Audit	-----	-----	-----	-----
Total Veterans' Home	486,575	714,000	476,033	727,500
BOARD OF PARDONS				
1. General Operations	100,242		102,106	
2. Audit	-----	-----	-----	-----
Total Board of Pardons	102,242		102,106	

Personal services expenditures may not exceed the following level plus pay plan appropriations or budget amendments from unanticipated funds for each institution or program listed.

Director's Office	226,892	226,892
Alcohol and Drug Abuse Division	530,438	530,438
Corrections Division	1,653,652	1,653,996
Management Services Division	697,809	686,221
Mental Health and Residential Services	344,378	344,378

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Boulder River School and Hospital	7,666,835	7,666,835
Center for the Aged	1,491,662	1,491,662
Eastmont Training Center	1,311,589	1,311,589
Galen State Hospital	4,694,991	4,694,991
Mountain View School	1,155,261	1,155,498
Pine Hills School	2,019,866	1,975,381
Montana State Prison	5,062,818	5,076,689
Swan River Youth Forest Camp	479,892	479,989
Veterans' Home	882,356	882,538
Warm Springs State Hospital	9,266,217	9,266,217
Board of Pardons	80,004	80,004

If utilities expenditures exceed the amounts listed below, the institution may ask for a supplemental appropriation. If utilities do not exceed the anticipated amounts, the difference will be reverted to the general fund.

	Fiscal_1982	Fiscal_1983
Boulder River School and Hospital	484,045	542,130
Center for the Aged	85,125	95,340
Eastmont Training Center	47,989	53,748
Galen State Hospital	326,794	366,010
Mountain View School	47,911	53,660
Pine Hills School	114,992	126,422
Montana State Prison	239,486	267,766
Swan River Youth Forest Camp	45,253	50,683
Veterans' Home	91,286	102,241

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Warm Springs State Hospital 724,971 811,968
 Corrections Division 22,401 25,090
TOTAL DEPARTMENT OF INSTITUTIONS

49,317,589 7,467,687 49,394,347 7,686,309

E. OTHER EDUCATION

Fiscal Year 1982	Fiscal Year 1983
General	Other
Appropriated	Appropriated
Fund	Fund
Funds	Funds

BOARD OF PUBLIC EDUCATION

1. Administration 79,104 79,020

2. Fire Services Training School

178,478 173,406

Total Board of Education

257,582 252,426

The board of public education shall be provided office space free of charge in the building leased by the state and paid from the appropriation to the commissioner of higher education. The fire service training school shall be provided office, storage, and classroom space, inclusive of weekend janitorial service, in the Great Falls vocational-technical center at no charge.

PUBLIC SCHOOL SUPPORT

1. Special Education 23,254,921 25,347,864

2. Special Education Emergency Contingency 500,000 500,000
 3. Audioological Services -688,614 -750,589

Total Public School Support

24,443,535 26,598,453

Item 1 is for foundation and permissive support of the maximum-budget-without-a-vote for special education.

Item 2 is for emergencies that may arise in special education programs at local districts. A district's board of trustees may apply for an allocation from these funds by presenting to the superintendent of public instruction a child-study team report and an individual educational plan for each child relating to this unforeseen expense and a current listing of programs, case loads, and related costs. The appropriation in item 2 is for the biennium and the specific amounts may be transferred between fiscal years.

Item 3 is for purchase of audiological services by the office of public instruction. These amounts may not be transferred between fiscal years. Any unused amounts revert at the end of the fiscal year.

Notwithstanding other provisions of law, the superintendent may not approve a maximum-budget-without-a-vote for special education which, in the aggregate, exceeds \$51,041,988 in the 1983 biennium.

Federal funds to support special education programs in excess

of \$5,110,000 during the 1983 biennium shall be placed in a reserve fund and not spent until appropriated by the 1983 legislature.

SUPERINTENDENT OF PUBLIC INSTRUCTION,

VOCATIONAL-TECHNICAL CENTERS

1. Billings Center

a. Personal Services

434,969 490,694 487,031 521,942

b. Operating Expenses

133,475 166,368 194,230 208,152

c. Equipment

6,288 7,196 6,454 7,030

d. Audit Costs

14,000

2. Butte Center

a. Personal Services

588,475 304,643 663,762 327,519

b. Operating Expenses

76,437 46,300 119,901 59,162

c. Equipment

14,637 7,513 14,833 7,317

d. Audit Costs

13,000

3. Great Falls Center

a. Personal Services

539,848 360,799 602,669 379,037

b. Operating Expenses

128,719 86,028 176,418 119,759

c. Equipment

23,449 15,751 31,182 18,718

d. Audit Costs

14,000

4. Helena Center

a. Personal Services

898,055 429,643 990,168 457,023

b. Operating Expenses

254,922 121,958 347,259 167,205

c. Equipment

38,958 18,642 44,438 20,412

d. Audit Costs

15,000

5. Missoula Center

a. Personal Services

917,631 526,547 997,856 576,298

b. Operating Expenses

217,738 133,548 283,644 163,814

c. Equipment

56,276 32,194 32,102 18,613

d. Audit Costs

15,000

6. Office of Budget and Program Planning

CETA Contingency Funds

44,000 -----

Total Vocational-Technical Centers

4,415,877 2,747,824 5,020,947 3,052,001

The superintendent of public instruction may transfer funds between personal services, operations, and equipment within each vocational-education center or between vocational-education centers. The intent of the legislature is that these appropriated funds not provide for salary increases at the vocational-education centers above the state pay plan for fiscal years 1982 and 1983.

Receipt of state funds appropriated to the five technical centers is contingent upon each county in which the center resides levying 1.5 mills each fiscal year. Millage received by the centers from the 1.5 mill levy over \$765,101 in fiscal 1982 and \$804,733 in fiscal 1983 will revert a like amount to the general fund each year.

Item 6 is to be distributed to the Billings center if CETA funds are not available to the center in fiscal 1982.

OFFICE OF PUBLIC INSTRUCTION

1. Office of Public Instruction

1,566,750 3,209,704 1,577,805 3,286,040

2. Audit Costs

50,000

3. School Transportation

4,724,445 5,019,250

B57

HB 500

4. School Lunch

731,494 807,449

5. Adult Education

121,881 132,851

6. Secondary Vocational Education

1,500,000

7. Building Space

114,897 10,740 130,662 1,211

Total Office of Public Instruction

8,761,467 3,220,444 7,718,017 3,293,951

Other appropriated funds in item 1 contain \$369,182 in fiscal 1982 and \$374,735 in fiscal 1983 for internal transfers of indirect costs. General fund money shall revert in the amount indirect costs in excess of these amounts are recovered.

Item 6 is for the biennium.

Item 7 contains the spending authority necessary to fund the lease agreement and other related costs of the office of public instruction building at 1300 Eleventh Avenue. When this building is purchased by the state, all appropriated funds in Item 7 except \$3.02 per square foot in fiscal 1982 and \$3.09 per square foot in fiscal 1983 in proportion to the time period remaining each fiscal year shall revert.

All revenues received in the state traffic education account under provisions of 20-7-504 are appropriated to be distributed as provided in 20-7-506.

B58

HB 500

ADVISORY COUNCIL FOR VOCATIONAL EDUCATION

1. General Operations

92,000

94,000

2. Audit

2,000

Total Advisory Council for Vocational Education

94,000

STATE LIBRARY

1. General Operations

332,472

417,771

809,245

2. Administration Program - Moving Costs

20,000

3. Library Networking Operations

77,300

73,549

4. Audit

3,3002,700

Total State Library

355,772

417,771

882,794

Item 2 is for the biennium ending June 30, 1983.

Item 3 consists of earmarked funds generated under 15-35-108(2)(1). These funds are appropriated for networking operations at the state library. All other funds generated pursuant to this section shall be distributed to the library federations.

MONTANA HISTORICAL SOCIETY

B59

HB 500

1. Administration, Library, Archives, and Museum Programs

613,113

100,800

619,701

100,800

2. Historic Sites Program

56,422

56,423

57,630

57,630

3. Publications Program

35,162

123,944

36,827

129,812

4. Merchandising Program

284,337

287,515

5. Audit

2,8992,1018,7286,272

Total Montana Historical Society

707,596

567,605

722,886

582,029

Item 4 contains \$20,000 in fiscal year 1982 and \$20,000 in fiscal year 1983 for internal transfers of profits generated by the merchandising program.

MONTANA ARTS COUNCIL

1. General Operations

76,222

222,270

81,719

230,628

2. Local Community Grants

20,275

20,275

3. Audit

3,5003,500

Total Montana Arts Council

99,997

225,770

101,994

230,628

SCHOOL FOR THE DEAF AND BLIND

1. General Operations

B60

HB 500

2. Audit

1,486,843	510,988	1,540,847	514,247
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-15,000	-----	-----	-----
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Total School for the Deaf and Blind

1,501,843	510,988	1,540,847	514,247
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TOTAL OTHER EDUCATION

40,543,669	8,206,425	42,373,341	8,649,650
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F. HIGHER EDUCATION

For units of the university system other than the office of the commissioner of higher education, the appropriations made under the column heading "Other Appropriated Funds" are from funds within current unrestricted funds unless otherwise indicated.

All funds, other than plant funds and those specifically appropriated herein, may be spent and are appropriated contingent upon approval by the board of regents by July 1 of each year of a comprehensive program budget containing a detail of revenues and expenditures and anticipated fund balances of current funds, loan funds, and endowment funds. All movement of funds between the current unrestricted subfund and the designated subfund accounting entities shall be clearly identified in the state budgeting and accounting system.

Programs for the university budgets include instruction, organized research, public service, academic support, student services, institutional support, and operation and maintenance of plant.

B61

HB 500

Included within other appropriated funds to the six institutions is the sum of \$12,488,450 in fiscal year 1982 and \$13,579,452 in fiscal year 1983 from revenues generated under the provisions of House Bill 191, 46th legislature.

The amounts shown for critical area faculty salary adjustments are appropriated to the colleges and universities contingent upon approval by the board of regents of a salary distribution plan or negotiated agreement for each campus. It is the legislature's intent that the critical area faculty salary adjustment funds be expended in those academic disciplines where difficulty is experienced recruiting or retaining faculty due to external market conditions.

	Fiscal Year 1982	Fiscal Year 1983
	Other	Other

General	Appropriated	General	Appropriated
Fund	Funds	Fund	Funds

BOARD OF REGENTS	23,029	25,104
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COMMISSIONER OF HIGHER EDUCATION

1. Office Administration	624,554	26,705	633,221	27,458
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2. WAMI

1,491,997	1,625,272
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3. WICHE - Student Assistance

627,100	911,000	500,800	1,143,000
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4. WICHE - Administrative Dues

B62

HB 500

costs shall be paid from local funds. Audit costs are not to exceed \$17,000 for each unit for the biennium.

5. University of Minnesota - Rural Dentistry

46,300 50,000

6. SSIG

153,600 168,000

7. NOSL

175,000 211,592 211,592

8. Audit

100,000 100,000

---61,000 --- ---

Total Commissioner of Higher Education

3,224,551 1,149,297 3,252,293 1,382,050

COMMUNITY COLLEGES

1. Miles Community College

779,222 819,247

2. Dawson Community College

587,208 639,498

3. Flathead Valley Community College

1,127,029 1,185,178

Total Community Colleges

2,493,459 2,643,923

The above appropriation provides 53 percent of the total unrestricted budgets for the community colleges that shall be approved by the board of regents.

The general fund appropriation for each community college includes 53 percent of the total audit cost. The remaining audit

BUREAU OF MINES

1,210,783 141,600 1,228,570 155,800

AGRICULTURAL EXPERIMENT STATION

1. Agricultural Experiment Station

4,448,576 2,275,276 4,570,687 2,359,167

2. United States Range Station

----- 201,226 ----- 927,288

Total Agricultural Experiment Station

4,448,576 3,177,202 4,570,687 3,286,455

COOPERATIVE EXTENSION SERVICE

1,644,433 1,631,270 1,607,040 1,755,623

FORESTRY AND CONSERVATION EXPERIMENT STATION

500,773 594,407

MONTANA STATE UNIVERSITY

1. Instruction

10,754,709 7,587,801 10,587,516 7,793,104

2. Critical Area Faculty Salary Adjustment

186,191 128,809 198,595 143,405

3. Organized Research

412,098 285,092 419,429 302,870

4. Public Service

5,159 3,569 5,017 3,623

5. Academic Support, Student Services, and Institutional

Support

6. Operation and Maintenance of Plant	5,580,112	3,860,358	6,003,155	4,334,873
7. Scholarships and Fellowships	2,174,812	1,504,549	2,285,575	1,650,411
8. Audit Costs	392,782	271,729	431,975	311,929
Total Montana State University	-18,840	-13,035	-6,170	-4,455
Total audit costs are estimated to be \$85,000 for the biennium. Fifty percent of those costs are to be paid from funds other than those appropriated by the legislature.	19,524,703	13,654,942	19,937,432	14,544,670
UNIVERSITY OF MONTANA				
1. Instruction	8,773,903	5,460,204	8,732,602	5,692,301
2. Critical Area Faculty Salary Adjustment	152,343	92,657	162,479	103,521
3. Organized Research	220,080	133,856	222,794	141,951
4. Public Service	100,589	61,180	102,605	65,373
5. Academic Support, Student Services, and Institutional Support	4,899,936	2,980,227	5,180,245	3,300,525

6. Operation and Maintenance of Plant

2,370,108 1,441,542 2,507,881 1,597,864

7. Scholarships and Fellowships

394,307 239,825 416,972 265,669

8. Audit Costs

-19,820 -12,055 --6,490 --4,135

Total University of Montana

16,931,086 10,421,546 17,332,068 11,171,339

Total audit costs are estimated to be \$85,000 for the biennium. Fifty percent of those costs are to be paid from funds other than those appropriated by the legislature.

EASTERN MONTANA COLLEGE

1. Instruction

2,876,473 1,585,378 2,754,541 1,727,227

2. Critical Area Faculty Salary Adjustments

43,158 22,842 44,940 27,060

3. Public Service

22,797 12,065 22,155 13,340

4. Academic Support, Student Services, and Institutional Support

2,201,727 1,165,294 1,984,834 1,195,140

5. Operation and Maintenance of Plant

1,039,378 550,105 1,049,692 632,058

6. Scholarships and Fellowships

7. Audit Costs

130,359	68,994	125,640	75,652
71,283	31,855	141,114	81,498

Total Eastern Montana College

6,321,175	3,408,533	5,995,916	3,678,975
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Total audit costs are estimated to be \$45,000 for the biennium. Twenty-five percent of those costs are to be paid from funds other than those appropriated by the legislature.

NORTHERN MONTANA COLLEGE

1. Instruction

1,784,498	757,333	1,767,099	816,710
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2. Critical Area Faculty Salary Adjustment

11,359	4,641	12,107	5,393
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3. Public Service

6,376	2,605	6,388	2,845
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4. Academic Support, Student Services, and Institutional Support

877,010	358,345	943,010	420,070
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5. Operation and Maintenance of Plant

440,490	179,984	451,192	200,986
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6. Scholarships and Fellowships

86,263	35,247	82,950	36,950
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7. Audit Costs

13,977	5,711	4,539	2,023
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Total Northern Montana College

3,219,973	1,343,866	3,267,285	1,484,977
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Total audit costs are estimated to be \$35,000 for the biennium. Twenty-five percent of those costs are to be paid from funds other than those appropriated by the legislature.

WESTERN MONTANA COLLEGE

1. Instruction

730,977	369,544	720,410	388,313
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2. Critical Area Faculty Salary Adjustment

5,413	2,587	5,960	3,040
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3. Academic Support, Student Services, and Institutional Support

645,051	308,224	676,244	344,918
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4. Operation and Maintenance of Plant

343,219	164,000	354,136	180,628
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5. Scholarships and Fellowships

32,118	15,347	33,035	16,850
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6. Audit Costs

4,440	2,122	13,038	6,650
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Total Western Montana College

1,761,218	861,824	1,802,823	940,399
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Total audit costs are estimated to be \$35,000 for the biennium. Twenty-five percent of those costs are to be paid from funds other than those appropriated by the legislature.

MONTANA COLLEGE OF MINERAL SCIENCE AND TECHNOLOGY

1. Instruction	1,648,006	1,096,383	1,695,835	1,127,568	
2. Critical Area Faculty Salary Adjustment					
104,903	69,212	112,992	74,514		
3. Organized Research					
23,912	15,776	26,265	17,321		
4. Academic Support, Student Services, and Institutional Support					
906,491	598,075	1,156,466	762,650		
5. Operation and Maintenance of Plant					
631,925	416,925	673,885	444,405		
6. Scholarships and Fellowships					
100,090	66,037	104,423	68,863		
7. Audit Costs					
102,168	6,707	102,169	6,706		
Total Montana College of Mineral Science and Technology					
3,425,495	2,269,115	3,780,035	2,502,027		

Total audit costs are estimated to be \$45,000 for the biennium. Twenty-five percent of those costs are to be paid from funds other than those appropriated by the legislature.

Funds appropriated to the colleges and universities in all items except audit costs and critical area faculty salary adjustments may be transferred between items within a fiscal year through budget amendment approved by the board of regents.

TOTAL HIGHER EDUCATION

GRAND TOTAL

64,729,254 38,059,195 66,037,583 40,902,315

294,805,799 420,118,245 246,061,712 432,417,030

Section 20. Effective date. This act is effective July 1, 1981.



AN ACT TO APPROPRIATE MONEY FOR CAPITAL PROJECTS FOR THE BIENNIUM ENDING JUNE 30, 1983; PROVIDING FOR OTHER MATTERS RELATING TO THE APPROPRIATIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Definitions. For the purposes of this act, unless otherwise stated, the following definitions apply:

(1) "Agency" includes each state office, department, board, commission, council, committee, unit of the university system, or other entity or instrumentality of the executive branch, office of the legislative branch, or office of the judicial branch of state government.

(2) "Capital project" means acquisition of land or improvements, planning, capital construction, renovation, furnishing, or major repair projects authorized in this act.

(3) "Approved budget amendment" means approval by the budget director of a request submitted through the architecture and engineering division of the department of administration to transfer excess funds appropriated to a capital project within an agency in order to increase the appropriations of another capital project within that agency or to obtain financing to expand a project with funds which were not available for consideration by the legislature.

(4) "BPICA" means account number 06142 in the bond proceeds and insurance clearance fund; "FPRA" means federal and private

revenue account; "ERA" means earmarked revenue account; and "other appropriated funds" means money other than general fund or BPICA money that accrues under provisions of law to an agency indicated herein.

Section 2. Expansion required to be authorized. No existing capital project may be expanded beyond the scope of the project as approved by the 47th legislature unless the capital project expansion is authorized by an approved budget amendment.

Section 3. Additional funding. If a capital project is jointly financed by an appropriation or appropriations from state sources as well as by appropriations from other sources, the funds provided by appropriation from state sources shall be decreased by the amount that the funds received from other sources exceed the amount appropriated by the legislature if the decrease does not jeopardize the receipt of the funds to be received from other sources.

Section 4. Federal funds for administration. All federal funds received as a reimbursement for the cost of administering the federal funds when the cost was financed from the general fund shall revert to the general fund. Should federal funds for Makoshika State Park exceed \$21,000, coal tax appropriations in an amount equal to the excess will be reverted.

Section 5. Reappropriation. Notwithstanding any other provision of law, the remaining balances on capital projects previously appropriated are hereby reappropriated until June 30,

1983, for the purposes for which originally appropriated.

Section 6. Construction and maintenance appropriation. The following money is appropriated from indicated accounts, including interest earnings from investment of the proceeds of long-range building bonds issued under the authority of HB 563, 1981 session to the director of the department of administration:

Agency/Program	BPICA	Other Appropriated Funds
Department of Administration		
Replace roofs		\$70,000
Retrofit state buildings for energy conservation	\$2,250,000	
Replace elevator, Surplus Property Building	55,000	
Plan Natural Resources Building	400,000	
Acquire office facilities, Helena		2,150,000
Land acquisition and grounds improvements, Capitol Complex		50,000
Improve water system,		
Capitol Complex	380,000	
Safety Improvements,		
Cogswell Building	60,400	
Board of Education		
Miscellaneous maintenance,		

C3

	88,000
Historical Society	
Complete cottage, School for the Deaf and Blind	700,000
Department of Fish, Wildlife, & Parks	
Regional headquarters maintenance	20,000
Fishing access site protection	100,000
Lewis & Clark Caverns Improvements	50,000
Giant Springs Heritage State Park improvements	300,000
Develop wildlife management areas	96,000
Rosebud Battlefield Improvements	20,000
Bannack State Monument	25,000
Makoshika State Park Improvements	81,000
Recreation area paving, Placid and Salmon Lakes	200,000
Purgatory Hill State Monument improvements	34,000
Canyon Ferry Recreation Area Improvements	124,500
Council Groves State Monument improvements	110,000
Acquisition and development of cemetery at old Fort Custer site in Big Horn County	50,000
Fort Owen Acquisition	

C4

or Development	10,000		Prison Chapel Design	25,000	
Department of Highways			Spruce Cottage Remodel,		
Miscellaneous maintenance			Mountain View	67,800	
and construction	500,000		Upgrade prison perimeter security	59,000	
			Pine Hill S.I.D.	9,872	
Department of Institutions			Department of Justice		
Modify toilets, Spratt Building,			Miscellaneous repairs, Registrar's		
Warm Springs	18,000		Bureau	10,000	
General Maintenance, Boulder	251,200		Department of Military Affairs		
Replace roofs, state institutions	245,000		Construct Armory, Harlowton	179,500	415,500
Modify bathrooms and laundry,			Construct Armory, Havre	164,500	415,500
Eastmont	57,000		Auxiliary heating system,		
Construct multipurpose building,			Fort Harrison	2,500	7,500
Swan River	400,000		Weatherproof CSMS, Fort Harrison	6,250	18,750
Kitchen repairs, Veterans' Home	21,300		Sealcoat taxilways, Military		
Maintenance and life/safety repairs,			Affairs	3,000	9,000
Warm Springs	149,200		Repair Boiler, Deer Lodge	4,000	
Water tower maintenance,			Repair Hall, Fort Harrison	25,000	
Institutions	45,000		Boiler, Helena Armory	40,000	
Maintenance and repairs, Galen	154,000		Armory Addition, Butte		615,000
Sprinkler system, Veterans' Home	47,000		University System		
Sewage treatment plant,			University System maintenance	1,038,050	
Warm Springs	348,050		Handicapped accessibility,		
Enlarge pharmacy,			University System	500,000	
Center for the Aged	11,885				

Complete Science Building, 200,000

Montana Tech.

Remodel Cowan Hall, Northern 150,000

Montana College 100,000

Computer site modification, EMC 150,000

Farm Mechanics Bldg., NMC

Construct Clinical 440,000

Psychology Bldg., UM 200,000

Remodel Craft Bldg., WMC 85,000

Lubrecht Forest Exp. Station 2,180,000

AES Facility, Sidney -0-

Construct Laboratory

Animal Facility, MSU

Department of Natural Resources

and Conservation 25,000

Maintenance, DMRC

Construction of the animal laboratory facility at MSU will be financed with interest generated from investment of proceeds of bonds sales authorized by HB 563. Construction will not begin until bonds are sold.

Section 7. Land acquisition appropriation. The following money is appropriated from the indicated accounts for the purposes of land acquisition to the director of the department of fish, wildlife, and parks:

Fishing access acquisitions 2,350,000

Acquire wildlife habitat 750,000

Section B. Appropriation of proceeds from the sale of long-range building bonds. The following money is appropriated from the BPICA to the director of the department of administration, contingent upon the authorization of the sale of long-range building bonds by the legislature as provided in 17-5-402 and 17-5-403, and the sale of the bonds by the state board of examiners:

Renovate State Capitol building 6,750,000

Construct Gymnasium, School for the Deaf and Blind 2,300,000

Construct cottage, School for the Deaf and Blind 2,000,000

Construct Polson Job Service office 500,000

Construct Hamilton Job Service office 500,000

Construct Visual Communications Building, MSU 4,598,000

Remodel and addition to Cisel Hall, EMC 1,190,000

Construct fine arts facility, UM 7,500,000

Construct vo-tech center, Butte 3,769,505

Construct Veterans

Nursing Facility	1,850,000
Children's Unit, Billings	2,626,000
Workers' Compensation Building	4,000,000

Section 9. Other funds for fine arts facility. (1) There is appropriated an additional \$1,100,000 from the federal and private revenue account or from regent's building fees for the construction of the fine arts facility which shall be constructed as a complete facility with the appropriations contained in this act. Funds appropriated in this section shall be expended before expenditure of state bond proceeds for construction.

(2) Funds may be advanced from the bond proceeds for planning, not to exceed \$450,000.

Section 10. Repayment of appropriations. (1) Funds for the following project are appropriated on the condition that the amounts appropriated be repaid to the long-range building program, bond proceeds and insurance clearance account with no payment to be made until after June 30, 1993:

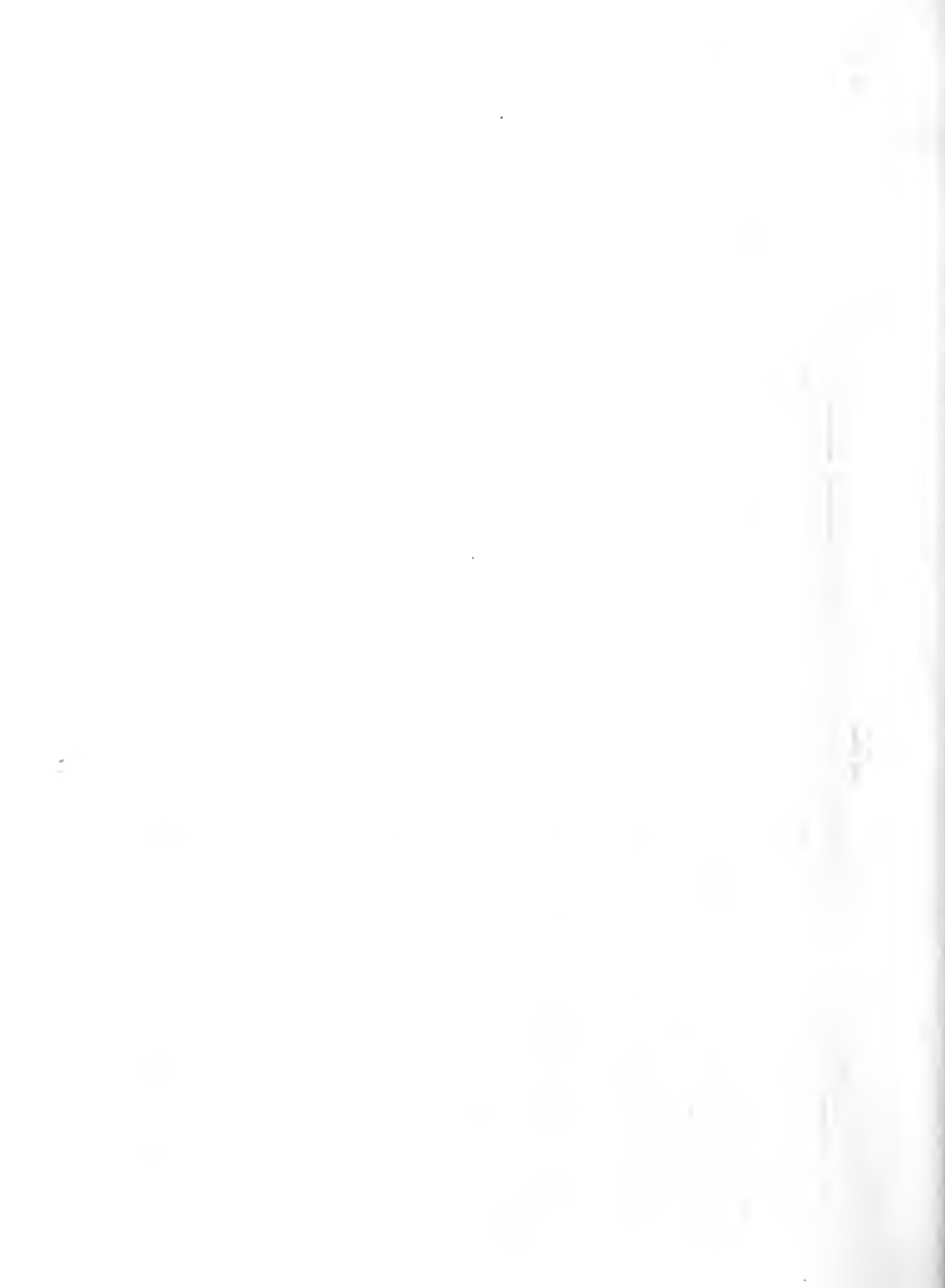
Computer site modification, EMC

(2) The terms of the repayment of the above appropriations should be approved by the director of the department of administration prior to expenditure of the amounts appropriated.

Section 11. Severability. If a part of this act is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this act is invalid in one or more of its applications, the part remains in effect in all valid applications

that are severable from the invalid applications.

Section 12. Effective date. This act is effective on passage and approval.



AN ACT TO INCREASE AGENCY BUDGETS DURING THE BIENNIIUM ENDING JUNE 30, 1981, WHICH INCREASES WOULD USUALLY BE MADE BY BUDGET AMENDMENT; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Increase in spending authority. The following money is appropriated for the fiscal year ending June 30, 1981:

Agency and Program	Amount	Fund
DEPARTMENT OF LIVESTOCK		
Inspection and Control	\$ 100,000	Earmarked Revenue
Predator Control	60,000	Earmarked Revenue

DEPARTMENT OF NATURAL RESOURCES

Energy Division	5,000	Federal and Private Revenue
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Energy Division	2,500,000	Earmarked Revenue
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Funds included in the above appropriation are not committed to any of the tentatively approved grants suballotted by the department.

The department may commit funds for demonstration purposes only when in its judgment such expenditures or commitments have good potential for producing savings of nonrenewable energy sources. The department may not commit funds for demonstration purposes when any of the following conditions are present:

(a) previous commitments of similar nature were not productive;

(b) a similar demonstration has been conducted within close geographic proximity of the location of the proposed demonstration project;

(c) the proposed demonstration project would not further the purpose of 90-4-101.

The department shall submit a report of expenditures to the environmental quality council for review and evaluation. The environmental quality council shall make such recommendations as it considers necessary to assure the greatest possible benefit of the program to the people of the state as a whole.

Energy Division	165,898	Federal and Private Revenue
Energy Division	25,935	Federal and Private Revenue
Energy Division	26,829	Federal and Private Revenue
Water Resources	6,918	Federal and Private Revenue
Water Resources	39,732	Federal and Private Revenue
Water Resources	118,000	Federal and Private Revenue
Water Resources	13,682	Federal and Private Revenue
Water Resources	330,608	Federal and Private Revenue

Facility Siting	80,652	Earmarked Revenue	Revenue
Facility Siting	8,241	Earmarked Revenue	
Facility Siting	25,000	Earmarked Revenue	
Energy Division	81,000	Federal and Private	
		Revenue	
Forest Resources	22,370	Earmarked Revenue	
Forest Resources	6,000	Federal and Private	
		Revenue	
Forest Resources	13,836	Federal and Private	
		Revenue	
MONTANA HISTORICAL SOCIETY			
Museum and Galleries	26,000	Federal and Private	
		Revenue	
Administration	13,000	Federal and Private	
		Revenue	
STATE LIBRARY			
General Library	5,516	Federal and Private	
Services		Revenue	
DEPARTMENT OF REVENUE			
Property Valuation	90,000	Federal and Private	
		Revenue	
Recovery Services	148,739	Federal and Private	
		Revenue	
Legal	17,000	Federal and Private	

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES			Revenue
Health Services	937,740	Federal and Private	
		Revenue	
Health Services	132,695	Federal and Private	
		Revenue	
Environmental Health	22,352	Federal and Private	
		Revenue	
Communicable Disease	19,670	Federal and Private	
		Revenue	
Environmental Health	170,000	Federal and Private	
		Revenue	
DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES			
Assistance Payments	625,051	Federal and Private	
		Revenue	
Eligibility	46,236	Federal and Private	
Determination		Revenue	
Eligibility	54,278	Revolving	
Determination			
DEPARTMENT OF ADMINISTRATION			
Communications	23,932	Revolving	
Investments	9,000	Revolving	
Teachers' Retirement	2,500	Earmarked Revenue	
Division			
PERS Program	99,157	Earmarked Revenue	

PERS Program	9,000	Earmarked Revenue	OFFICE OF PUBLIC INSTRUCTION		
Architecture and Engineering	9,000	Revolving	Chief State School Officer	317,501	Federal and Private Revenue
Housing	19,241	Revolving	DEPARTMENT OF AGRICULTURE		
Workers' Compensation	9,300	Earmarked Revenue	Plant and Industry	4,968	Federal and Private Revenue
Judge			Transportation	16,600	Federal and Private Revenue
The appropriation to Teachers' Retirement Division in the amount of \$2,500 and the appropriation to PERS in the amount of \$9,000 shall be contingent upon the passage of HB 45 and HB 674.			Environmental Management	1,100	Federal and Private Revenue
DEPARTMENT OF FISH, WILDLIFE, AND PARKS			DEPARTMENT OF STATE LANDS		
Wildlife	10,500	Federal and Private Revenue	Central Management	300,000	Federal and Private Revenue
Enforcement	165,000	Earmarked Revenue	MOUNTAIN VIEW SCHOOL		
Centralized Services	1,200,000	Revolving	Care and Custody	8,815	Federal and Private Revenue
DEPARTMENT OF JUSTICE			Care and Custody	255	Federal and Private Revenue
Fire Marshal	11,280	Federal and Private Revenue	MONTANA STATE PRISON		
DEPARTMENT OF HIGHWAYS			Ranch and Dairy	66,437	Revolving
General Operations	161,928	Earmarked Revenue	Care and Custody	1,600	Federal and Private Revenue
General Operations	54,450	Earmarked Revenue	Care and Custody	255	Federal and Private Revenue
General Operations	25,861	Earmarked Revenue	SHAN RIVER YOUTH FOREST CAMP		
General Operations	117,814	Federal and Private Revenue			
Motor Pool	141,500	Revolving			
Equipment Bureau	735,000	Revolving			

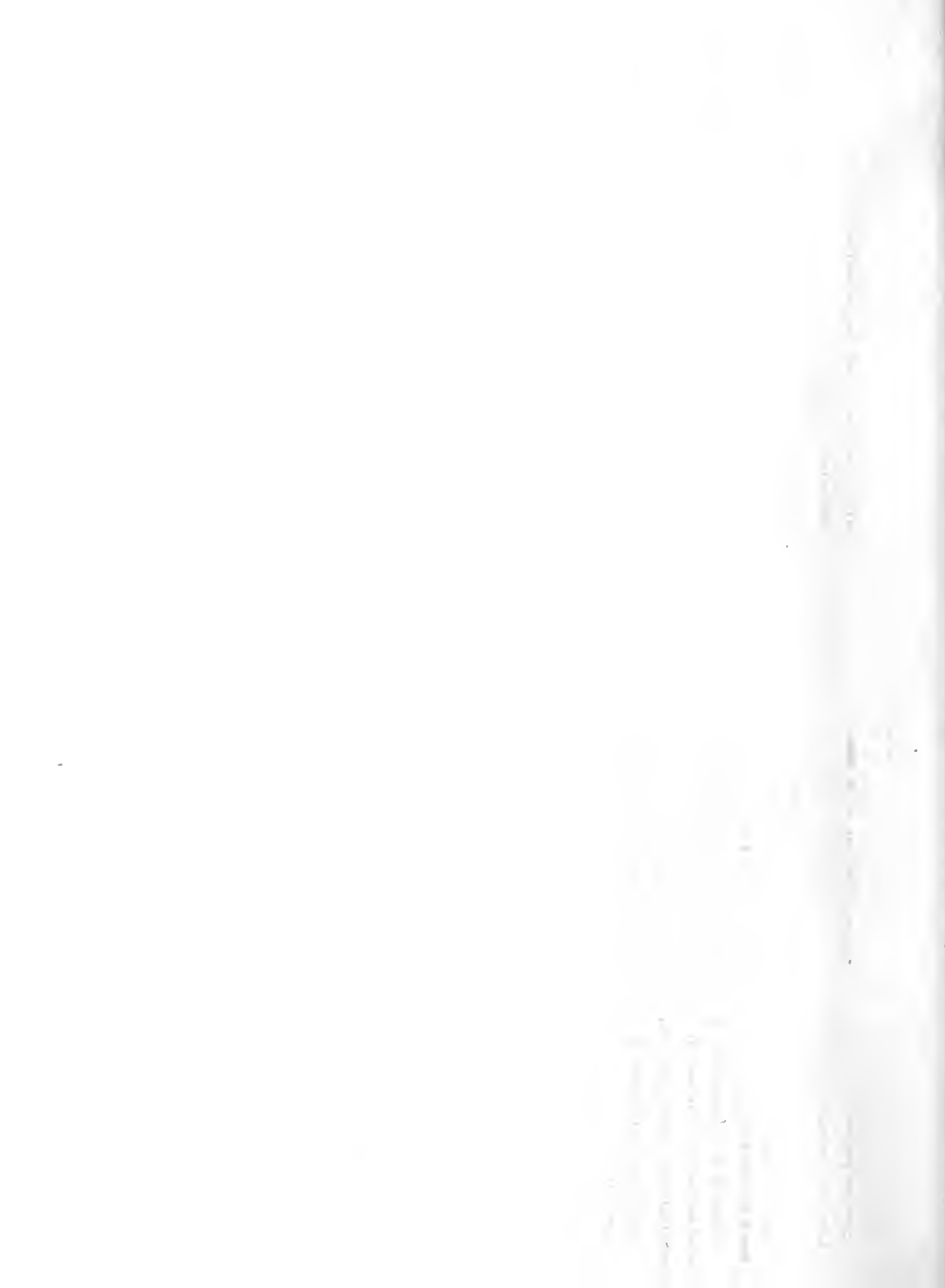
Care and Custody	5,825	Federal and Private Revenue
Care and Custody	2,382	Federal and Private Revenue
Care and Custody	6,399	Federal and Private Revenue
CENTRAL OFFICE		
Mental Health and Residential Services	105,009	Federal and Private Revenue
Management Services	3,170	Federal and Private Revenue
Corrections Division	4,815	Federal and Private Revenue
HARM SPRINGS		
Treatment Services	138,047	Federal and Private Revenue
CENTER FOR THE AGED		
Residential Services	2,605	Federal and Private Revenue
Residential Services	4,125	Revolving
EASTMONT HUMAN SERVICES CENTER		
Care and Custody	10,419	Federal and Private Revenue
PINE HILLS SCHOOL		
Care and Custody	45,200	Federal and Private Revenue

MONTANA VETERANS' HOME			
Care and Custody	6,599	Federal and Private Revenue	
GOVERNOR'S OFFICE			
Executive Office	700,000	Federal and Private Revenue	
LONG-RANGE BUILDING			
	76,000	Revolving	
	10,738	Bond Proceeds and Insurance Clearance	
	17,500	Federal and Private Revenue	
	5,300	Federal and Private Revenue	
SCHOOL FOR THE DEAF AND BLIND			
Deaf and Blind Program	7,000	Federal and Private Revenue	
BOARD OF PUBLIC EDUCATION			
Fire Services	2,000	Federal and Private Revenue	
PUBLIC SERVICE COMMISSION			
Public Service Regulation	182,700	Federal and Private Revenue	
DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL LICENSING			

Board of Athletics 2,500 Earmarked Revenue

Section 2. Limitations on expenditures. The conditions set forth in sections 1 through 16 of House Bill 483 passed by the 46th legislature apply to appropriations under this act.

Section 3. Effective date. This act is effective on passage and approval.



AN ACT TO APPROPRIATE MONEY TO VARIOUS STATE AGENCIES FOR THE FISCAL YEAR ENDING JUNE 30, 1981; PERMITTING CERTAIN APPROPRIATIONS TO THE DEPARTMENT OF REVENUE TO CONTINUE TO THE NEXT BIENNium; PROVIDING FOR OTHER MATTERS RELATING TO THE APPROPRIATIONS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Time limit. (1) Except as provided in subsection (2), the appropriations contained in this act are intended to provide for only necessary and ordinary expenditures for the year for which the appropriations are made. The unspent balance of any such appropriation shall revert to the fund from which it was appropriated.

(2) The appropriation to the department of revenue by this act (\$150,000) and the appropriation to the department of revenue by house bill 94 for property valuation purposes, Phase I (\$110,000) may continue for the biennium ending June 30, 1983. These appropriations may be spent for the stated purposes only.

Section 2. Governor's power to reduce appropriations. The governor may reduce any appropriation in this act by not more than 15%.

Section 3. Total not appropriation. The total shown in this act is for informational purposes only and is not an appropriation.

Section 4. Appropriations. Subject to the terms and

conditions of this act, the following money is appropriated for the fiscal year ending June 30, 1981:

DEPARTMENT OF LIVESTOCK	General Fund
Rabies and Rodent Control	\$ 22,354
DEPARTMENT OF REVENUE	
Property Valuation	150,000
DEPARTMENT OF JUSTICE	
Transportation of Prisoners	45,000
MONTANA HISTORICAL SOCIETY	
Administration	22,351
DEPARTMENT OF PUBLIC SERVICE REGULATION	
Public Service Commission	20,000
Total	\$ 259,705

Section 5. Effective date. This act is effective on passage and approval.

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projects. There is appropriated \$641,680 to the Montana historical society from the coal tax cultural and aesthetic account in the earmarked revenue fund. It is the intent of the legislature that the following projects be funded not to exceed the amounts listed in this section:

- | | |
|--|-----------|
| (1) Art Conservation, University of Montana
School of Fine Arts | \$37,500 |
| (2) Conservation of Capitol Murals, Montana
Historical Society | \$108,489 |
| (3) Conservation of Ralston Mural, Billings
Airport | \$15,000 |
| (4) Expansion Planning, Museum of the
Rockies | \$110,000 |
| (5) Facility Renovation, Custer County Art
Center | \$8,960 |
| (6) J. K. Ralston Center, Richland County | \$40,000 |
| (7) Living History Program, Western
Heritage Center | \$60,000 |
| (8) Montana Chautauqua, University of
Montana | \$4,262 |
| (9) Montana Folklife Project, Montana Arts
Council | \$51,849 |
| (10) Montana Genesis, Stevensville | \$20,000 |
| (11) Montana Literature Publication,
University of Montana | \$7,620 |

AN ACT TO APPROPRIATE MONEY FOR COAL TAX PARK ACQUISITIONS AND FOR CULTURAL AND AESTHETIC PROJECTS; AND PROVIDING EFFECTIVE DATES.

WHEREAS, 15-35-108(2)(h), MCA, provides that 2 1/2% of the coal severance tax is to be credited to a trust for park acquisition, protection of works of art in the State Capitol, and other cultural and aesthetic projects, the balance of earnings and earnings projected for the 1983 biennium are appropriated by this bill.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Appropriation for park acquisition. There is appropriated \$750,000 to the department of fish, wildlife, and parks from the coal tax park acquisition account in the earmarked revenue fund. These funds are appropriated for the parks listed below:

- | | |
|-----------------------------|-----------|
| (1) Engle River Bottom Site | \$340,000 |
| (2) Goeden Island Property | \$110,000 |
| (3) Spring Meadow | \$300,000 |

Section 2. Appraisal on park sites. The department of fish, wildlife, and parks shall pay the appraised value or the amount appropriated in section 1, whichever is less, for the acquisition of each park site project. Each appraisal shall be reviewed by a qualified review appraiser.

Section 3. Appropriation for cultural and aesthetic

(12) Montana Repertory Theater, University of Montana	\$21,600
(13) Montanans at Work, Montana Historical Society	\$90,000
(14) Pealow Carved Ivory Collections, Montana College of Mineral Science and Technology	\$1,400
(15) Restoration of Old Prison Theater, Deer Lodge	\$40,000
(16) Renovation of Custer County Art Center	\$25,000

Section 4. Rulemaking authority. The Montana historical society and the department of fish, wildlife, and parks shall adopt rules for the administration of the cultural and aesthetic project grants and coal tax park acquisitions for which money is appropriated under this act. Administrative rules may provide for adjustment of grants if less revenue is received than is appropriated in sections 1 and 3.

Section 5. Separate accounts. Separate accounts shall be maintained for cultural and aesthetic project grants and for park acquisition.

Section 6. Effective dates. This act is effective July 1, 1981, except that section 4 is effective on passage and approval.

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